



# VOTE '92 / AN EX-PRESIDENT'S DISMAY

## Reagan Is Angered By Bush's Failure, Associates Assert

By Bernard Weinraub

*New York Times Service*

LOS ANGELES — Although Ronald Reagan issued statements congratulating Bill Clinton on his election victory and praising President George Bush for "distinguished service to the country," close associates say that privately the former president and his wife, Nancy, are upset, even angry, over how his successor led his failed effort to win re-election.

Several friends said the former president, although personally fond of Mr. Bush, had been distressed for weeks about the Republican campaign.

Within the Reagan circle, Mr. Bush and his associates were blamed for a flawed campaign that, among other things, failed to use Mr. Reagan as a campaigner until late October.

Although no one felt that Mr. Reagan could have turned the election around or would have had a major impact on the campaign, associates said they viewed his mishandling as typical of the Bush effort.

It is not known whether Mr. Reagan relayed any hint of dischantment to Mr. Bush. He made telephone calls to Mr.

Bush and Mr. Clinton, but the details of the conversations were not disclosed.

Although the Reagans and their friends are politically conservative, they were described as dismayed that Mr. Reagan's relatively moderate speech to the Republican National Convention in Houston last August was dwarfed by Patrick J. Buchanan's scathing speech, which was allowed to go overtime and thus pushed Mr. Reagan's appearance out of prime time on the East Coast.

"It was a travesty," said a former White House official and Reagan associate. "We would have controlled that."

There also are complaints from the Reagan circle about the handling of issues like family leave, which Mr. Bush opposed but was popular with the electorate, and abortion.

Although he opposed abortion, Mr. Reagan repeatedly sought to blur the issue, unlike Mr. Bush, who was boxed into an inflexible position opposing it.

And Mr. Bush's "read my lips" pledge of no new taxes, which he broke in 1990, was viewed by the former president as politically devastating.

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ain, Prime Minister Brian Mulroney of Canada, Prime Minister Giuliano Amato of Italy and Nelson Mandela, the South African anti-apartheid leader.

No issues of substance were discussed, Mr. Clinton said, characterizing the calls as "look forward to working with you" conversations. His voice was raspy and he appeared tired from reading what he described as "volumes" on the tasks ahead.

Mr. Clinton has begun the process of deciding how and by whom his transition to the presidency will be managed. Thousands of top federal jobs, including White House staff positions and 16 cabinet



Patty Murray, a Democrat and the first woman elected to the U.S. Senate from Washington state, accepting a congratulatory phone call at her Seattle headquarters accompanied by her daughter, Sara. Mrs. Murray was one of five women who won Senate seats Tuesday.

## For Clinton, It'll Be a 'Hands-On, Mind-Boggling' Transition

By Paul F. Horvitz

*International Herald Tribune*

WASHINGTON — Still functioning on little sleep, President-elect Bill Clinton placed get-acquainted phone calls to foreign leaders on Thursday and began plowing through "a massive amount of work" to form a new government.

Mr. Clinton, emerging from meetings at the capitol in Little Rock, Arkansas, said he had made brief calls to some of the leaders who have sent congratulatory messages, including President Boris N. Yeltsin of Russia, President Carlos Salinas de Gortari of Mexico, Prime Minister John Major of Brit-

ain, Prime Minister Brian Mulroney of Canada, Prime Minister Giuliano Amato of Italy and Nelson Mandela, the South African anti-apartheid leader.

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Mr. Clinton has begun the process of deciding how and by whom his transition to the presidency will be managed. Thousands of top federal jobs, including White House staff positions and 16 cabinet

posts, await new occupants. But there was no indication that any would be filled in the next few days.

In Moscow, an aide to Mr. Yeltsin said a meeting between the two men would be desirable and could be accomplished at a time suitable to Mr. Clinton, who takes office Jan. 20. In his call Thursday, Mr. Clinton said he offered general support for the democratic and free-market reforms under way in Russia. The two met in Washington in June during the election campaign.

George Mamedov, Russia's deputy foreign minister, said Mr. Yeltsin's message to Mr. Clinton sug-

gested greater cooperation on economic affairs and proposed further cuts in nuclear weapons as well as measures to prevent the proliferation of missile technology.

In Washington, President George Bush scuttled rumors that he planned a visit to Moscow in the waning days of his tenure, and he headed for a long weekend at the presidential retreat in Camp David.

Mr. Clinton, who is still the governor of Arkansas, returned to his office inside the capitol after a morning jog on Thursday. Aides had to scurry to find the keys to the office's locked door.

In a televised interview late Wednesday, Mr. Clinton characterized the transition process as "mind-boggling," but he vowed to continue a hands-on approach. He said he wanted to "focus like a laser beam on this economy."

Michael Walsh, chief executive officer of the energy giant Tenneco, was quoted Thursday as saying that "nothing less than the future of the presidency" rests on Mr. Clinton's

ability to fulfill his campaign promise to bring down energy prices.

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# VOTE '92 / WORKING WITH CONGRESS



President-elect Bill Clinton with his mother, Virginia Kelley, in Little Rock, Arkansas.

## AGENDA: Clinton to Unleash a Flurry of Initiatives

(Continued from page 1)

rooms and other subsidized perks for top officials.

Requiring political appointees to sign a pledge barring lobbying of their government agencies for five years after they leave office. The limit now is one year.

The Clinton team says it wants Congress to pass within the first 100 days a combination of tax incentives and public works spending to stimulate the economy—which perhaps would mean delaying at first his campaign pledge to cut the deficit. As for other major legislative aims—health-care reform, welfare reform and job training—Clinton aides have given themselves a 100-day deadline to submit legislation to Congress in these areas but do not expect passage that early.

Mr. Clinton's friends say he talks about keeping his legislative agenda broad enough to take full advantage of his mandate for economic change, but lean and focused enough to avoid choking the House Ways and Means Committee with so much legislation that nothing gets accomplished.

Nevertheless, one friend recalls asking Mr. Clinton in June which transition model he would follow: Ronald Reagan, who in his first 100 days focused on one big proposal for budget and tax reform—and got it through—or Jimmy Carter, who pressed ahead with 15 equal proposals so complex and controversial that virtually none succeeded.

Mr. Clinton said that of course he would follow the Reagan model, and then ticked off a laundry list of initiatives he would propose.

"Sounds to me more like Jimmy Carter," his friend told him.

Mr. Clinton's immediate priority will be to choose the key members of his economic team: chief of staff, director of the Office of Management and Budget, chief of his Council of Economic Advisors, secretary of the Treasury and White House liaison with Congress, which will be a critical job in his administration.

Already, rivalries are building. During the last two weeks of the campaign staffers at the Clinton-Gore campaign headquarters in Little Rock, Arkansas, were playing a game that could best be called: "Did-you-see-who-just-walked-by-with-his-resume?" It was usually said in disgust, because as the Clinton victory became more certain, the young staff at the campaign headquarters became more resentful of the job seekers who haunted Little Rock like apparitions from the Democratic past.

For the first time since the start of the Cold War, the fight for 16 cabinet posts and 8,500 other political appointments is being fought more along generational than ideological lines. Officials who served in the middle ranks of the Carter, Johnson and even Kennedy administrations, bursting with ambition after 12 years in the wilderness, are already clamoring for high-level Clinton administration jobs.

But there is also a new generation of Democrats men and women in their 30s and 40s, who think it is their turn, and resent having to compete with the party elders.

And there are the "Friends of Bill," or F.O.B.s, an informal network of people who have known

Mr. Clinton for many years and share a lot of the same basic instincts—a group that includes Robert Reich, the Harvard economist; Roger Altman, an investment banker and former Treasury official; Jim Magaziner, a consultant; Eli J. Segal, a Boston businessman; and Susan Thomases, a lawyer and campaign aide.

The dilemma is that while Mr. Clinton is clearly committed to bringing in new blood, "You also don't want people who don't know where the bathroom is, because there is so much to be done so quickly," as one adviser put it.

Whichever Mr. Clinton chooses, the appointments will almost certainly have to be accompanied by bureaucratic restructuring to reflect Mr. Clinton's appreciation for the link between politics and government.

As for the longer-term policy initiatives, the top priority will be an economic stimulus package, which Mr. Clinton and his aides say they

**"The big issue out there is what should be in the first legislative package. The subissue is, how do you handle expectations?"**

Robert Reich,  
a Clinton adviser

want to have in Congress's hands the day after his inauguration.

"Even though he has detailed positions on a lot of issues, and an activist philosophy, some things will take precedence over others," said Bruce Reed, Mr. Clinton's issues adviser. "I think it is safe to say that the economic package will be priority 1-A."

The first question that Clinton advisers say they will have to decide is which elements of this economic plan go to Congress immediately and which, like health care and welfare reform, might have to come later.

The elements almost certain to go up immediately, aides predict, will be Mr. Clinton's proposal for an investment tax credit for new plants and equipment, a capital gains tax reduction for investments in new businesses held for five years or longer, permanent tax incentives for research and development, initiatives for job training and apprenticeships, as well as new spending at a rate of \$20 billion a year for roads, bridges and other public works projects.

In theory, these programs would be financed by spending cuts in other areas like the military and the federal bureaucracy, and by tax increases on overseas corporate profits and Americans making over \$200,000 a year.

Since many economists have argued that the numbers in Mr. Clinton's plan do not add up—that the tax increases will not pay for the new spending—he has repeatedly promised to reduce spending plans to the level of revenue available to finance them, rather than raise taxes on the middle class.

## Legislative Barons Will Test Clinton's Agility

By Helen Dewar  
*Washington Post Service*

WASHINGTON — When President-elect Bill Clinton comes to grips with the 103d Congress next year, he will find neither the intense political gridlock that gripped Washington during the Bush administration nor a compliant legislature ready to respond to his every command.

Instead, Mr. Clinton is likely to be confronted by something in between—a largely Democratic but free-wheeling group of legislators who hunger for results but chafe at discipline, unaccustomed to dealing with a president of their own party and used to calling the shots for the party themselves.

The experience will test his ability as the campaign for the presidency never did as he tries to satisfy the legislative barons who control the fate of his programs without ceding them the power to dictate every clause.

A student of history, Mr. Clinton will remember Washington's last all-Democratic government in the late 1970s, when President Jimmy Carter failed to heed the touchy sensitivities of the barons and paid for it for four years.

Nor will the Democrat be his only concern. The last votes were hardly counted before Republicans such as the Senate minority leader, Bob Dole, Republican of Kansas, signaled that his honeymoon was likely to be short.

Claiming to represent the "57 percent" majority of Americans who voted for President George Bush or the independent Ross

Pot, Mr. Dole wished the new president well and then told him he had no mandate, no coattails and no excuses.

"It's not going to be all a bed of roses for Governor Clinton," Mr. Dole said. The Democrats' "excuses for gridlock and bad legislation are over," he added. "If they fail,

between the two. While Mr. Carter failed to consult congressional leaders and his aides gave them short shrift when they called the briefings to have the Clinton election and a continued Democratic majority in Congress.

The House speaker Thomas S. Foley, Democrat of Washington, said in a telephone interview, "I expect the administration will be very positive in working with Congress," starting with meetings soon to coordinate legislative agendas and strategies for Congress, which convenes in January.

A serious problem, some Democrats agreed, could be the difficulty that many Democrats may find in adjusting to the less powerful and conspicuous role that they will have under a Democratic president after 12 years of ruling the Democratic roost in Washington.

This makes it more imperative for Mr. Clinton and his people to consult key members of Congress before he is inaugurated Jan. 20.

Mr. Foley and Mr. Mitchell said they expected to meet with Clinton transition officials soon to discuss ways of coordinating the Democratic legislative program.

Lawmakers in both houses expect Mr. Clinton to push hard and early with his economic recovery and jobs program, health care and deficit reduction.

Most said that Mr. Clinton must move quickly to nail down the major elements of his legislative program within the first few months of his administration, like President Ronald Reagan did with his tax and budget programs, or run the risk of losing momentum in Congress.

## In Winner's Hands, Elements of a New Coalition

By Thomas B. Edsall  
*Washington Post Service*

WASHINGTON — Various factions within the Democratic Party that long have sparred with one another are taking credit for Tuesday's presidential victory and for the creation of what many say is the first coalition in more than a quarter century that can produce sustained victories for the party.

One of President-elect Bill Clinton's first political burdens will be to contain the tensions already arising among the party's competing factions.

Leaders of the right-center wing

said their work pressuring the party toward the political middle was critical to Mr. Clinton's election.

"Our efforts to provide reality therapy for the party were maybe as important as anything that happened to this party because we helped convince the Democratic Party that we had to win the middle," said Al From, the president of the Democratic Leadership Council.

"Without that, this party would have sailed along," he said, "thinking

they are the problem, they are the gridlock. Blaming George Bush won't work any more."

Bob Dole, Senate minority leader

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From the left, the Reverend Jesse L. Jackson contended that Mr. Clinton had won because he campaigned on such themes as investing

in the nation's infrastructure

### NEWS ANALYSIS

and support for gay rights, health-care overhaul and family leave.

And from the self-described pro-

gressive wing of the party, an organization called the Citizens Transition Project has produced a 1,200-page document, "Changing America: Blueprints for a New Democracy," that details a proposed administration agenda, including a \$60 billion-a-year capital investment program, continued low interest rates, and changed labor-management relations.

The core of the Clinton campaign was the development of political strategies designed to bridge the difference among these fac-

tions. For a generation, since the outbreak of urban rioting and anti-Vietnam War protests in the 1960s, the Democratic Party has been split by ideological, cultural and racial fissures that have fragmented support for its presidential candidates.

Jimmy Carter's 1976 victory — before Tuesday, the only Democratic presidential victory since Lyndon B. Johnson's landslide in 1964 — resulted largely from public disenchantment with the Republican Party after the Watergate scandal and was not based on coalition-building within the party.

In this context, the Clinton campaign was the antithesis of Mr. Carter's anti-politics campaign. Mr. Clinton has been determined to rebuild the Democratic Party, not reject it as Mr. Carter largely did.

Surveys of voters leaving polling places on Tuesday suggest that Mr. Clinton made significant strides in reviving voter identification with the party. But Mr. Clinton still must demonstrate that he can transform a liberal-to-center, bira-

cial political electoral coalition into one that can govern.

To win the election, Mr. Clinton focused on the deteriorating economy as a theme to unite disparate classes and interests, and fused with a rhetoric honoring the work ethic and challenging the welfare system. The rhetoric was designed to restore Democratic loyalties among white working-class voters.

If Mr. Carter's victory was based on the fluke of the Watergate scandal, Mr. Clinton's election marks the first Democratic success in the ongoing struggle, begun in 1968, based on the competition between a Democratic Party trying to build a coalition based on economics and a Republican coalition energized by such issues as crime, busing, affirmative action and family values.

In the flush of victory, major Democratic factions are prepared to take a highly conciliatory approach to the Clinton administration. This surface peace is sure to come under strain as Mr. Clinton begins to make legislative proposals and major appointments.

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# AIDS Blood Inquiry Widens in France

## Collections Continued From Prisons Despite Risk of HIV Contamination

By Barry James  
*International Herald Tribune*

**PARIS** — The heavy doors of La Santé prison in Paris have swung shut on the former head of the national transfusion service for distributing AIDS-tainted products, but France is again in the midst of a blood scandal.

This time, it is the disclosure that blood was collected from prisoners long after it became known that of all sectors of the population, they were among those most at risk of having the virus that causes AIDS. Blood was still being collected from one prison as late as last year, according to an official report, which bluntly accuses the Ministry of Health of "failing in its duty."

Political analysts said the resurgence of the scandal will prove highly damaging for the Socialist government as it prepares for parliamentary elections in March.

Michel Garreta, the former di-

acknowledged that it shipped products until late 1985 that had not been tested or heat-treated to destroy the virus.

This was some months after French officials had become aware that the clotting agent, which is made from molecules taken from a large number of donations, was virtually certain to be contaminated.

Denmark on Thursday increased compensation paid to hemophiliacs who received unheated blood products before 1987. The 66 surviving hemophiliacs and the families of 23 others who have already died will receive 750,000 kroner (\$125,000).

According to the official inquiry in France, about one quarter of infected blood in 1985 came from prisoners, who supplied only about 0.37 percent of the total donations that year. The report said the Health Ministry was by then fully aware of the fact that blood from the jails was highly likely to be infected because of the prevalence of homosexuality in prisons and the large number of drug addicts there.

Nevertheless, blood donations were accepted from prisoners until 1986 in mainland prisons, until 1990 in Corsica and Martinique and until last year in La Réunion. The Health Ministry even removed from a 1985 memorandum a clause that would have stopped the prison collections. And it was the prison administration rather than health officials who eventually stopped the donations, after prisoners started contracting AIDS.

Since 1985, blood supplies have been tested for HIV antibodies. These, however, do not show up until several months after infection, and the first line of defense is the honesty of blood donors.

The health minister, Bernard Kouchner, who this week introduced a bill designed to minimize the risk of infected blood reaching patients, caused a row in the government by accusing his predecessors of "laxity" and "irresponsibility."

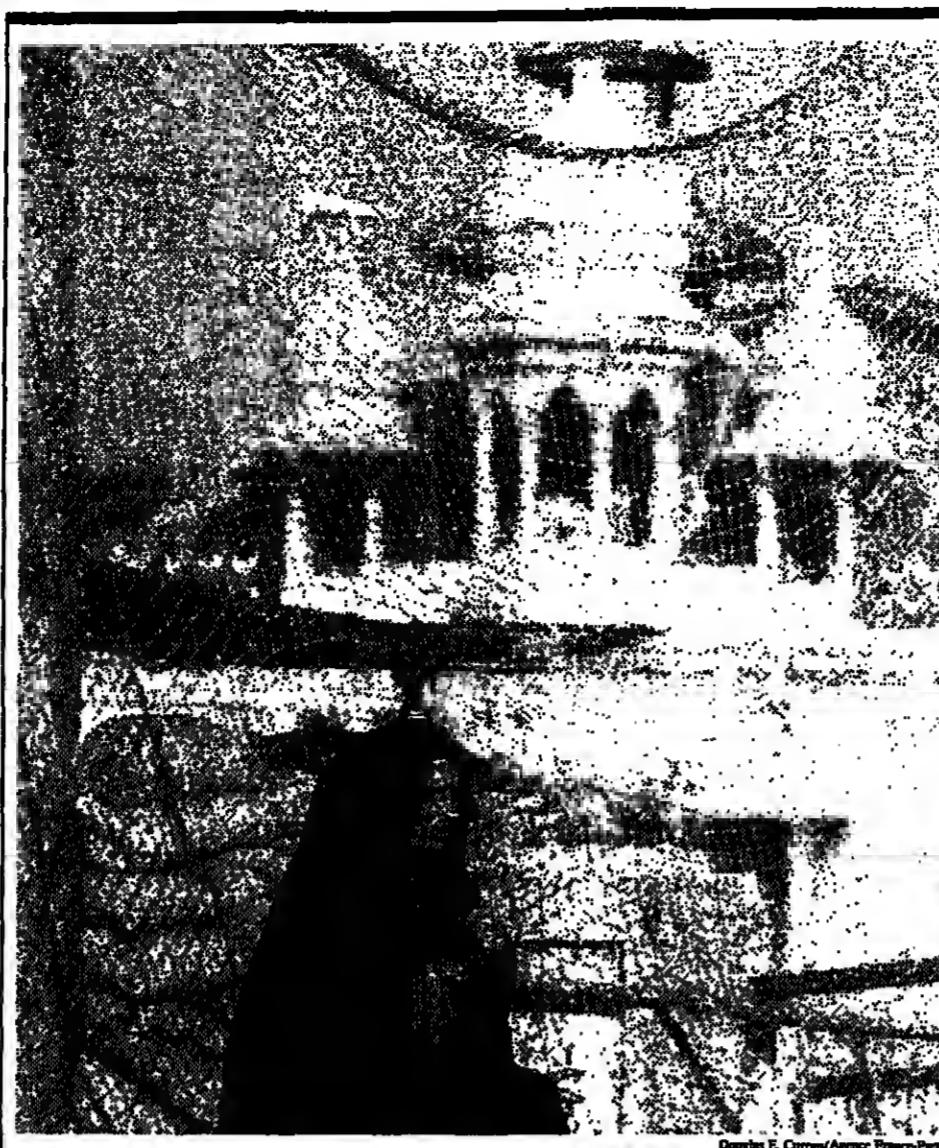
Culture Minister Jack Lang, the government spokesman, chided Mr. Kouchner for undermining the principle of ministerial solidarity.

**Swedish Official Rejects Call to Limit Asylum**

*Reuters*

**STOCKHOLM** — Immigration Minister Birgitt Friggebo on Thursday rejected a call to tighten Swedish rules on asylum, saying war and persecution in one country had nothing to do with economic recession in another.

The minister was responding to a joint demand by directors of the Swedish immigration and labor boards to limit asylum to the small number of refugees who fulfill Geneva Convention criteria on refugees, because of economic hardship in Sweden.



PASSAGE IN INDIA. — An elderly woman hurrying past sandbags and netting near a mosque in Srinagar amid a general strike called by Muslim militants in the district of Jammu and Kashmir.

## ASIAN TOPICS

### East Timor Governor Says Troops Should Have Shot More Protesters

East Timor's new governor says Indonesian troops should have killed more pro-independence demonstrators when they fired into a crowd in the former Portuguese colony of East Timor a year ago, an Indonesian magazine reports.

"In my opinion there should have been more people killed," Abilio José Osorio Soares told the legal magazine Forum Keadilan. "Why did only that number die? Why not all 1,000?"

Mr. Soares, who took office in September, was a leading advocate of the Indonesian takeover of East Timor after the Portuguese withdrawal in 1975. There was no immediate official confirmation of his remarks, Reuters reported from Jakarta.

Witnesses say that as many as 180 people were killed last Nov. 12 in the East Timor capital, Dili, when the Indonesian Army opened fire. The Indonesian government said 50 people were killed, with an additional 66 missing.

In Australia, Foreign Minister Gareth Evans, commenting in parliament on Mr. Soares' report, said, "They are particularly disappointing coming from someone who is himself Timorese."

### Around Asia

The Japanese Coast Guard will compile a computer data base of the varieties of paint on ship hulls that will enable investigators to identify ves-

sels involved in collisions, a spokesman said. Ships use hundreds of kinds of paint on their hulls, and most can be identified. In most collision cases, ship's paint has proved to be decisive evidence.

Corazon C. Aquino says she has no regrets about her six turbulent years as president of the Philippines, but does not try to hide her relief at returning to civilian life, Agence France-Presse reports. After leaving office in June, she made a six-week trip to the United States and Europe. She is working with charitable organizations and writing her autobiography. "I am so relieved," she said. "When they had these terrible floods last Saturday and Sunday, I think thank God, I am no longer president, I do not have to be responsible for that." As to her presidency, she said, "I am very happy I took up the challenge, that we were successful in restoring democracy and that we were able to transfer power in a very peaceful and orderly manner."

Hong Kong's preferred drink is aged French Cognac, not served neat in classic snifters but in tall glasses, often over ice or mixed with fruit juice or soft drinks. If this is no way to drink fine brandy, wine merchants and restaurants are not saying so because, according to the French Trade Commission, Hong Kong consumes 3.6 million bottles of Cognac — more than half a bottle for every man, woman and child in the colony. When Hong Kong reverts to China in 1997, importers are confident that the drinking of Cognac will spread to a huge new market. "The mainland Chinese admire Hong Kong businesses," said Frederick Yip, a Cognac marketing executive, "and want to copy their ways."

Arthur Higbee

## New Revelations Widen Tokyo Political Scandal

By James Sterngold  
*New York Times Service*

**TOKYO** — Prosecutors dropped a bombshell Thursday in Japan's latest political scandal when they said that seven top officials of the governing party had offered as much as \$25 million to persuade the head of a rightist group to halt mocking verbal attacks that were preventing the party's officially chosen candidate from becoming prime minister five years ago.

The prosecutors, who made the allegations in court, said the lush money had been rejected.

But they had disclosed earlier that it ultimately took the intervention of one of Japan's most powerful mobsters to silence the rightists' blaring sound trucks, and the new allegations threatened to engulf much of the Liberal Democratic Party's leadership in the scandal.

The prosecutors said that Mr. Kanemaru was told he would have to deliver the cash himself, and that he refused to do so.

Mr. Obuchi, Kanemaru and the other politicians mentioned on Thursday denied the allegations.

head the faction amid calls for new measures to clean up Japan's badly tainted political process.

There was no suggestion by the prosecutors that the seven politicians had broken the law by offering money to the rightists.

Left open was the question of whether the gangster, Susumu Ishii, ultimately had to offer the rightists — or to threaten them with — when he intervened on behalf of the Liberal Democratic leader, Noboru Takeshita.

Prosecutors said that in 1987, Shin Kanemaru, the Liberal Democratic kingmaker who was forced to resign from parliament and his party last month, had approached the rightist group, Nippon Komite, through an intermediary and offered 3 billion yen (\$24.5 million) if they would stop.

The prosecutors said that Mr. Kanemaru was told he would have to deliver the cash himself, and that he refused to do so.

But within days of its high-profile inauguration by Prime Minister P. V. Narasimha Rao in October,

## Louisiana Holds Man In Japanese Boy's Death

Compiled by Our Staff From Dispatches

**BATON ROUGE, Louisiana** — A man indicted on a manslaughter charge in the fatal shooting on a Japanese exchange student who knocked on his door dressed in a Halloween costume turned himself in Thursday.

The defendant, Rodney Peairs, was arrested at his lawyer's office and booked at the local jail.

Prosecutors had sought a second-degree murder count against Mr. Peairs, but a grand jury on Wednesday chose manslaughter instead. Mr. Peairs faces up to 40 years in prison if convicted of the single count.

Mr. Peairs, 30, has said he shot Yoshitomo Hattori, 16, because he thought the youth was an intruder.

The student and an American friend were looking for a Halloween party on Oct. 17 when they mistakenly went to Mr. Peairs' house, the authorities said.

They said Mr. Peairs' wife, who opened the door, had been startled and called for her husband, who came to the door with a .44-caliber pistol.

Mr. Peairs shouted "Freeze!" the authorities said, but the youth, who spoke little English, apparently did not understand that Mr. Peairs was telling him not to move and started toward him. He was shot once in the chest.

Governor Edwin W. Edwards of Louisiana called the killing "one of those unfortunate things."

In Japan, however, the public was horrified.

Reports from Japan said many people there saw the incident as a symbol of much that has gone wrong with America.

The youth's death in the United States was all the more poignant because, like many other young Japanese, he saw America as the most exciting place in the world.

"Young Hattori had always hoped to live in America," said Takeshi Watanabe, head of the Japanese branch of the American Field Service, the organization that sponsored the victim's trip.

"I remember that he told me, just before he left Japan, how wonderful it would be, how proud it would make him, to say that the U.S.A. was his second 'fatherland,'" Mr. Watanabe said.

(AP, WP)

## WORLD BRIEFS

### Savimbi in Talks on Restoring Peace In Angola After 2,000 Are Said to Die

**LISBON** (Reuters) — Angola's army chief, General Antonio dos Santos Fraga Ndalu, and the Portuguese government have been in direct contact with the rebel leader Jonas Savimbi to get the peace process back on track after a week of fighting that may have cost thousands of lives.

An Angolan diplomat said the death toll from the fighting could exceed 2,000, with more than 1,000 people killed in the capital and at least that many killed in fighting to the south, where hostilities did not end until Wednesday.

Mr. Savimbi is thought to be in his stronghold in the central highland town of Huambo, where he withdrew after rejecting the result of elections in September that gave the ruling Popular Movement for the Liberation of Angola a landslide victory.

United Nations observers have declared the poll free and fair. But in Lisbon a multiparty committee of politicians led by a Socialist, Jose Soares, son of President Mario Soares, joined Mr. Savimbi in denouncing the vote as a fraud and accused the governing party of carrying out a "slaughter" of officials and supporters of Mr. Savimbi's National Union for the Total Liberation of Angola.

**Japan Leader Defends Khmer Rouge**

**TOKYO** (Reuters) — Japan's prime minister defended Cambodia's Khmer Rouge guerrillas on Thursday, saying there was no clear evidence they were violating a peace accord. Kiichi Miyazawa told the upper house of parliament that the conditions of the Paris peace agreement on the reconstruction of Cambodia were being met by all parties involved, including the Maoist Khmer Rouge.

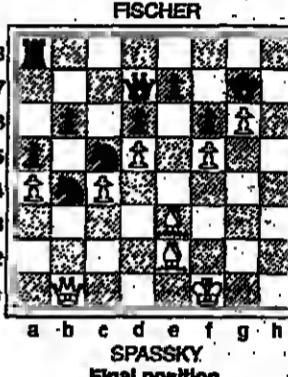
Mr. Miyazawa was responding to criticism by legislators over Japan's involvement in UN peacekeeping in Cambodia, following reports that the Khmer Rouge were responsible for rocket attacks and destruction of highways. Japan took part in UN peacekeeping for the first time this year by sending a battalion of mostly engineering troops to Cambodia to build roads and bridges and help monitor a previous cease-fire.

### Fischer Wins \$5 Million Chess Match

**BELGRADE** (Reuters) — After two months and 30 games, Bobby Fischer finally clinched his \$5 million chess match against Boris Spassky on Thursday. Mr. Fischer won the series by a score of 10 to 5, claiming the \$3.5 million winner's purse. Mr. Spassky, like Mr. Fischer a former world champion, receives the remainder of the \$5 million, the largest chess prize ever.

#### GAME 30

#### KING'S INDIAN DEFENSE



### Hussein Says He Needs Medical Tests

**JORDAN**, Jordan (Reuters) — King Hussein telling his subjects that Jordan would live on after he was gone, said Thursday that he would have to undergo more tests in the United States to confirm that he has been cured of cancer.

In an otherwise allegorical speech to the nation, his first since returning home to a tumultuous welcome in August from surgery that removed a tumor and a kidney, the king, 56, tackled the issue of his health head on.

"I find it incumbent on me to tell you that I will have to travel, at intervals determined by my physicians and beginning shortly after a month from now, to the center where I was treated," he said. "This will be for the purpose of undergoing tests to confirm that I have — God willing — been cured."

### Correction

Because of mechanical error, a statement in an article about Asian reaction to Bill Clinton's victory was misattributed in Thursday's editions. 5. The prediction that "We're going to move to some sort of managed trade regime" was made by Robert M. Orr, director of the Institute for Pacific Rim Studies at Temple University in Tokyo and an adviser to the Clinton campaign on Japan.

### TRAVEL UPDATE

**RED SQUARE** in Moscow has been closed to the public for repairs and the only area round the Lenin mausoleum was accessible to a limited number of visitors. On Tuesday, the Izvestia daily said the work would take about two weeks.

Angry truckers caused traffic chaos in Rome on Thursday when they blocked the central Piazza Venezia with around 100 trucks to protest job losses. The truckers, who work in the quarry industry in the central Lazio region, are demanding that regional officials scrap plans to close dozens of unauthorized quarries around Rome, a move which they say would affect their livelihood.

(Reuters)

## Calcutta Hoping a Bridge Will Help Pave the Way for a Brighter Future

By Sanjoy Hazarika  
*New York Times Service*

**CALCUTTA** — Every evening thousands of Calcutta's residents travel long distances to view with pride the newest acquisition of this city: a giant cable bridge that commands a sweeping view of a city known for its mix of squalor and wealth, grime and sophistication.

The bridge got the kind of hiccups that Calcutta's people are familiar with: the computers at the toll gates stopped working. Within minutes, the bridge was in chaos, packed with horn-blowing drivers and motorcycle riders revving their engines impatiently while police men and toll officials tried to restore order.

The incident was representative of the transportation problems familiar to the major Indian cities, where overpopulation strains transport and creates major bottlenecks.

The word Calcutta has become a byword for squalor, partly because of the familiar sight of tens of thousands of people sleeping on its sidewalks every night. The city's infrastructure is inadequate, leading to brownouts that are becoming less serious but are still frequent.

Added to these difficulties is the growing air pollution in the city. A thick pall of soot from industrial and vehicle emissions hangs over its busy central sector, enveloping its inhabitants and increasing the number of respiratory ailments. But some things, like the bridge, show the city's improvements.

In one of Calcutta's major recent successes, the local administration built a small but clean and efficient network of subways in the mid-1980s that carry thousands of commuters over short distances every day in clean railroad coaches for fares as low as seven cents. It is known as the Metro, on which commuters watch popular Hindi-language films on closed-circuit television sets. The city is now trying to extend the network.

But much of the vehicular con-

gestion in some areas is being relieved by efforts to ease the burden.

In crowded business districts, traffic crawls forward over uneven stretches, restricted by construction work in the middle of the road. Laborers also toil underground building the railroads that future Metro trains will run on.

The construction will mean the death of the slow-moving, stately tram, one of Calcutta's most familiar sights, city officials say. The government-owned tram services no longer pay their way but instead disrupt traffic.

They are to be replaced by the underground commuter system and more buses, officials said. Workers who will lose their jobs are to be adequately compensated.

"The tramways are sitting on prime land," a businessman said. "Just auctioning the real estate will fetch huge sums and enable the city to improve its services."

The new bridge over the Hooghly River is part of the city's campaign to ease the pressure on the old Howrah Bridge, built during the British Raj, that is packed with rickshaws and pedestrians, vehicles, trucks and trams. It is also to speed the flow of traffic between Howrah, an industrial city on the other side of the Hooghly, and Calcutta.

The new bridge is now open to light traffic, like motor cars and motorcycles. It opens to trucks and other heavy traffic this month.

This is the second bridge to span the Hooghly between Calcutta and Howrah. Planning for it began more than 22 years ago, but frequent delays caused by changes in designs and rising costs slowed the construction.

But much of the vehicular con-

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## Treaty Commitment Is Intact, But Major's Position Is Fragile

By Erik Ipsen  
*International Herald Tribune*

LONDON — Prime Minister John Major survived his latest run through the political gauntlet in Parliament with his commitment to the Maastricht treaty intact but with the fragility of his political position little changed.

"The vote was intended to demonstrate Mr. Major's mastery of his own party, to restore his political standing after all of his difficulties, but in many ways it was not all that successful," said Andrew Britton, director of the National Institute for Economic & Social Research.

Mr. Major said Thursday that ratification of the Treaty on European Union would not be possible until after a second Danish referendum in May. John Smith, the Labor Party leader, denounced the timetable, saying it was the price Mr. Major had had to pay for persuading "Euro-skeptics" to back him in Wednesday night's vote supporting Maastricht.

Having won the vote by only 3, votes, with 26 members of his own Conservative Party voting against him and another 6 abstaining, the

prime minister could claim victory for his stance on Maastricht if not the personal vindication he might have liked.

But it now seems certain that the treaty will eventually be ratified. Mr. Major will be able chair next month's summit meeting in Edinburgh, once convened as the highlight of Britain's six-month EC presidency, with his European credibility restored.

Alan Davies, the chief economist for Barclays Bank, called Wednesday's vote an "important turning point." He noted that "Maastricht, a project which has bedeviled him for months, is over. It is over and that is the end of it."

Final approval of the treaty is expected to be as much as six months off, but barring unforeseen problems from Denmark, Britain looks set to say "Yes."

Essential to that reading is the assumption that the alliance between Conservative skeptics and the Labor Party will not be reformed. Labor had used the government's bill to generate Wednesday's vote of confidence in Mr. Major, but otherwise remains staunchly pro-Europe.

On the home front, Mr. Major faces another hurdle Thursday, when his chancellor of the exchequer returns to Parliament to unveil the government's spending plans.

Having restated its commitment to a ceiling of £244.5 billion (\$379 billion), the government has little choice but to stick by it — even though the ceiling was set in far happier times, when unemployment payments, for instance, were not digging so deeply into the public purse.

In order to hit its ambitiously stingy spending goal, the government is widely expected to announce some kind of freeze on public-sector wages. That move may unleash a new wave of discontent.

Given the response that greeted last month's move — subsequently reconsidered — to close 31 coal mines and lay off 30,000 miners, a public-sector pay freeze is risky.

"The specter of widespread social unrest, with miners joining nurses and other public employees, could deal the government a very nasty blow," said Mr. Davies.

To soften the blow, Chancellor of the Exchequer Norman Lamont will probably have some good news as well. A further 1 percent cut in interest rates is almost universally assumed to be in place for next week, plus moves to speed up capital spending plans.

### ■ Long Ratification Process

Mr. Major, who had earlier told EC leaders he hoped to make progress on the ratification bill before Christmas, told Parliament the "full and proper discussion" it required meant the process could be lengthy, Reuters reported.



Foreign Secretary Douglas Hurd heading for a cabinet meeting Thursday on Downing Street.



Prime Minister John Major.

## Yeltsin Shifts Staff Over Ethnic Unrest

Compiled by Our Staff From Dispatches

MOSCOW — President Boris N. Yeltsin, responding to unrest in Russia and its former Soviet neighbors, has dismissed his top adviser on nationalist conflicts and named a new troubleshooter of higher rank for ethnic problems.

A presidential spokesman on Thursday confirmed the dismissal of Galina Starovoitova, Mr. Yeltsin's adviser on ethnic affairs since his election last year and arguably the most prominent woman in Russian politics. No reason was given.

Igor Tass said the president named Sergei Shakhrai as chairman of the State Committee on Ethnic Policy and upgraded him to deputy prime minister.

The moves appear linked to the outbreak of unrest within Russia's borders last week for the first time since the breakup of the Soviet Union last year.

Igor Tass said Thursday that the

death toll from clashes between North Ossetians and Ingushis in the northern Caucasus now stood at 115.

Mr. Yeltsin responded by sending 3,000 troops to the region and imposing a state of emergency. But commentators have blamed the government for failing to anticipate the outbreak of violence.

Russian troops entered several villages in North Ossetia on Thursday to disarm Ossetian and Ingush militants, Igor Tass reported.

The Ingush, who are Sunni Muslims, claim the Prigorodny region of North Ossetia as their historic homeland. They held the region until Stalin accused them of Nazi collaboration and deported them to Kazakhstan and Siberia.

The Ingush were allowed to return home in the 1950s and about 100,000 live in North Ossetia and Chechnya and Ingushetia.

(Reuters, AP)

## Increasing Coordination Seen in German Attacks

Reuters

HAMBURG — A senior security official said Thursday that 1,000 acts of rightist violence had occurred in Germany in the last two months and that rightist groups were increasingly coordinating attacks.

"It is taking on more and more the character of political organization," said Ernst Uhrlau, head of the Hamburg office of Germany's domestic counterintelligence service.

Mr. Uhrlau said at a news conference that fringe rightist groups were acquiring weapons and staging mob assaults on non-Germans so often "that the state's monopoly on the use of force has been invalidated in some cases."

The attacks have become a signal for right-wing extremists that they can take the law into their own hands, in the form of a baseball bat or rock," he said.

The police had registered 1,800 incidents of arson, assault and other violence by racist rightists gangs this year, including 1,000 since late August, when youths besieged an immigrant hostel in Rostock for a week before being dispersed by the police.

About 1,500 attacks were recorded.

## BERLIN: No Bags Are Packed

(Continued from page 1)  
the 15 million poor and disadvantaged people who lived under Communism until 1990.

Bonn seems a long way off to many of those people.

"I've been to Bonn," said Burkhard Seest, a 23-year-old unemployed man in Greifswald, on the Baltic Sea coast 600 miles (975 kilometers) away. "They don't know anything about Eastern Germany in Bonn. Bonn is isolated and provincial."

But then Mecklenburg, where Greifswald is, seems in a different world from Bonn, where civil servants start home on weekday afternoons at 3:30 and even earlier on Fridays, and — as long as the capital remains here — are secure in their jobs. In much of Eastern Germany, nearly half the working population has been unemployed since unification.

Bonn, a university town that became the West German capital in part because Chancellor Konrad Adenauer came from a village nearby, is closer to Brussels, Amsterdam or Paris than to Berlin in more ways than one.

And although Mr. Kohl, a Rhinelander from farther upriver, in Mainz, skillfully seized the opportunity to unify the country two years ago, he seldom went east until the last few months. When he went, he often found himself confronted by angry crowds demanding why unification hadn't left them as well off as they had expected.

Many East Germans have wondered whether the government's geographical remoteness makes it

easier to shrug off their problems. Few bureaucrats in Bonn listened, for example, when their Eastern colleagues warned that forcing foreign asylum-seekers into temporary shelters in stricken communities could lead to social tensions.

The authorities in Bonn believe like an occupying force," said Markus Wolf, the former East German spy chief who, like most of the rest of the Communist leadership, is now facing trial for his actions while in office.

But even people who resented Communist rule sometimes find it difficult to get their concerns through to Bonn. Mr. Kohl shed tears when Lothar de Maiziere, the former East German prime minister, had to resign as a deputy leader of the Christian Democratic Union on suspicion of having been an informant for the secret police.

But last week his party surprisingly replaced one of Mr. Kohl's four deputies, Defense Minister Volker Rühe, with Heinz Eggert, a man from "the new states," the politically correct designation for what used to be East Germany. The government health minister, Angela Merkel, the only East German in Mr. Kohl's 16-member cabinet, is also a deputy party leader.

Mr. Rühe, thought to be a potential successor to Mr. Kohl, tried to make the best of his defeat, joking that he had made a sacrifice — an involuntary one. Sacrificing for the East Germans is not a popular idea in Bonn, where the political backlash against a 7.5 percent tax surcharge to help rebuild the former East Germany is still being felt.

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## OPINION

## Herald Tribune

## A Proven Winner So Far

First there were all the primaries he couldn't win. Then, when he began winning them, there was the nomination he nonetheless couldn't get because the party was uneasy about him and he had, self-evidently, a fatal "electability" problem. Then, after he had been nominated, there was the election he would finally lose on "trust" etc. Now that he is president-elect, what could be left? Well, he has no mandate, it is said, owing to the fact that he came away from the three-way race with less than a full 50 percent of the vote. In addition, his victory is being characterized by some as all but inevitable and automatic, a pure function of the floundering economy, as if his success had been a foregone conclusion a year ago when he announced for the race.

The truth is that Bill Clinton deserves congratulations just for prevailing in the contest but for having waged a strong, smart and civil campaign. It is certainly the case that neither the size of his victory nor the nature of his campaign rhetoric provides a clear and specific mandate of 1-2-3 agenda for action that all can agree on. He indicated direction and purpose and some detail, but he left a lot open and enumerated more intentions than can conceivably be fulfilled or even pursued at once. Now he has to choose, establish priorities and try to enlarge the political constituency essential to achieving his purpose, what he calls "a mandate for economic change."

But there is no reason to doubt that Bill Clinton and Al Gore will make these choices, or to hope that they will be unable to translate their electoral victory into political influence in Congress. Their prospective new government has an enormous opportunity and a fund of goodwill that ordinarily comes with election to the White House. The early signs are that they are fully aware that both the opportunity and the goodwill can be squandered if they do not act quickly and also with discipline and discrimination in determining their early goals.

A great deal will depend on their colleagues in Congress (which itself withheld the election better than was commonly expected). The new dispensation — a Congress and executive branch controlled by the same party — is not in itself a guarantee of efficiency or even action. Anyone with a memory of earlier times when this was the situation will know that single-party control guarantees nothing. And in 1992 there clearly has been a kind of abrasive relationship between the Democratic leaders of Congress and the Clinton campaign, including Mr. Clinton himself. Presumably this will be smoothed over considerably and faded out.

George Bush was graceful and gracious in his concession remarks. It was reminiscent of his first press conference, four years ago, as president-elect himself. There was the same sudden and startling transformation from a strident campaign person to an amiable, nice guy self. And almost at once, as happened four years ago, the attitude of others seemed to be one of gratitude and relief, combined with an apparent eagerness to forget or discount the importance of

the nastiness and false insinuations that had gone before. In all the commentary as to the cause of Mr. Bush's defeat you hardly heard mention of the character of the campaign he waged. It was simply said instead that his campaign aides had made a lot of mistakes and that, besides, given the economy, he never had a chance.

We are aware that the old saying about speaking nothing but good of the politically defeated is in play now. But it seems to us that it is wrong not to at least acknowledge a couple of truths about the Bush campaign — first that it was uncommonly personal and mean-spirited, and second that the techniques didn't work. Its failure should be noted well, and it should be regarded as the spectacular debacle it was, not as the newly acceptable norm.

This was George Bush's problem, the one that harmed him finally much more than it harmed his opponents. It was not just that he lacked some essential elements of a genuine program or that he chose to speak little about the one he had. The president who did some truly good things in his term of office and was capable of great generosity and courage somehow believed that for the political season he could change "modes" and that the one on display through campaign time or in the political crunch in government would not be taken seriously but be accepted as just a temporary necessity of getting or staying in office. But its victim was the president himself.

There is no real reason to doubt that



## Jobs and the Deficit: Handling Both Won't Be Easy

WASHINGTON — Like John F. Kennedy, his political idol, President-elect Bill Clinton now must make good on a promise to "get this country moving again."

But Mr. Clinton faces a much more difficult task than did Mr. Kennedy: He must grapple with another, and contradictory, promise: to deal with the huge budget deficit. And in the face of the strong showing by Ross Perot, who focused almost exclusively on the deficit issue, that is a commitment that he cannot ignore.

If there is one thing on which everyone can agree it is that having the campaign over is a mercy. What traditionally starts now in Washington is not particularly pretty: The outgoing group will be full of people pretending they never really supported their own policies; the incoming group will be in death struggles for positions of authority; the permanent establishment will be having its predictable crisis of nerves over what the social and professional pecking order will be in a rearranged political structure. So there are not many places the eye can rest with tranquility. One upbeat prospect could be the behavior of the new and old administrations and the newly elected Congress, if they can bring themselves to cooperate in a transition designed to get on with the urgent business — quickly.

— THE WASHINGTON POST.

## Ten Reasons to Feel Good

Beyond all the political facts and figures — what Admiral James Stockdale derides as "all of the stinkin' numbers" — Tuesday's election evoked a whole web of feelings, reasons for satisfaction, and not just for Democrats.

**Lies:** All those people buddled under umbrellas outside New York City precincts gave a reliable clue to remarkable voter turnout everywhere. About 104 million people voted, 55 percent of those eligible. According to Curtis Gans, a voting scholar, that is the highest rate in 20 years.

**Truth:** Bashing television for sins real or imagined is traditional election night sport. This year the four networks deserve unstinting praise for threading a careful path between sensationalism and censorship. None pronounced a Clinton victory until nearly 11 P.M., even though the authoritative exit polls from Voter Research & Surveys had indicated a landslide for hours. Television thus demonstrated respect for Western voters whose polls were still open — a respect that the Senate denies by failing to enact uniform poll closing hours.

**Language:** What a joy it was early Wednesday to listen to victory statements from two candidates who think and talk in complete sentences. At that hour, many viewers surely wished there had been fewer sentences; even so, Bill Clinton and Al Gore evince a respect for language often dramatically missing in the locutions of George Bush and Dan Quayle.

**Bazars:** Something odd happened to Mr. Bush when he vaults into "campaign mode." His good numbers fall away and he stands revealed as Nastyman. In 1988, that brought harsh exploitation of race and crime fears. This time it went from Red-beating to juvenile expositions like "My dog Millie knows more about foreign affairs than these two bors." The bors responded with dignity, pushing the dialogue back to national issues and facilitating conciliation now.

**Demographics:** In his last two years, Mr. Bush played politics with racial resentment. He used his plan for school choice, giving money to private and parochial schools, as a way to divide Catholics and blacks. He pushed and pulled his otherwise laudable North American Free Trade Agreement like a saw between labor and Mexican-Americans. Crafty tactics maybe, but poisonous

conversations from Little Rock, Rob Shapiro, who runs the think tank associated with Mr. Clinton's centrist Democratic Leadership Council, stressed that Mr. Clinton would stick to his pledges on the deficit.

To rejuvenate the economy, Mr. Shapiro said, Mr. Clinton rejected the conservative way (reducing taxes across the board) and the traditional liberal approach (tax and spend). "He believes there is a third way, by structural change, and by investing in long-term growth," Mr. Shapiro said. "This will be different from the traditional macroeconomic approach."

Mr. Shapiro pointed out that "there already is a lot of stimulus in the system," with record low interest rates and a Bush projection for a fiscal 1993 deficit \$40 billion higher than the red ink for fiscal 1992.

One serious stumbling block facing Mr. Clinton's determination to get the economy rolling is that both Ja-

pan and Europe, which supply capital and provide markets for America, are facing economic downturns of their own. Thus Mr. Clinton is likely to lose the stimulus from American exports — one factor that helped Mr. Bush in the last four years.

On the other hand, Mr. Clinton stands to benefit from a creeping improvement in the economy, first seen in the surprising 2.7 percent growth rate in the initial report on third-quarter gross domestic product. Economists at the Chamber of Commerce (among the few who anticipated that trend) see something close to a 3 percent growth rate in the fourth quarter.

There are scattered signs that the credit crunch is easing, and one hears hints in Washington that the Federal Reserve, which hesitated to monkey around with interest rates during the election, will lower them at least once more, probably in December.

Thus the new Clinton administra-

tion could be helped by normal business cycle developments that came too late for Mr. Bush. Mr. Clinton's election with its promise of change could also trigger a boost in business and consumer confidence.

Still, there is unlikely to be a return to high economic growth rates and low unemployment without the more basic long-term reforms promised by Mr. Clinton in rebuilding cities, schools and infrastructure. Increasingly difficult challenges remain to generate a national health care system, and to reform the banks and federal deposit insurance rules.

Meanwhile, the painful struggle of General Motors is a symbol of the extent to which American industry has failed to cope with competitive challenges from abroad. All these challenges and more face a young president elected without a majority of the popular vote, and who has had no experience in global affairs. It won't be a bed of roses.

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## The Team Has to Be Moderate

By Leslie H. Gelb

NEW YORK — While the world waits to hear who will be Bill Clinton's secretary of state, the president-elect is thinking more about strategy than about names. His strategy will flow from two premises:

• For the first time since the 1930s, the appointment of the secretary of the Treasury will be more important than the appointment of the secretary of state, possibly even for foreign policy. Mr. Clinton knows that his presidency will effectively collapse in two years unless he quickly stimulates the economy and creates jobs without increasing the budget deficit.

• The chances of reaching this goal will be nil if he has to squander his days dodging inevitable Republican foreign policy bullets. Thus seconds after Mr. Clinton's inauguration, George Bush will be attacking him for not getting rid of Saddam Hussein. Americans generally and world leaders particularly are anxious about Mr. Clinton's foreign policy inexperience. So he has to wall off the White House from such anxieties and Republican attacks.

All this argues powerfully for a national security team of moderates and conservatives, including Republicans. It also calls for the most experienced hands.

President Bush will leave his successor a world filled with time bombs ready to explode in the ex-Soviet Union, ex-Yugoslavia, the Gulf and China. Any such calamity will drag Mr. Clinton into an international quagmire unless he can rely on his top advisers in a crisis.

Finding the right secretary of state will be a problem. Five hundred Democrats fantasize about being the chief diplomat and believe they are already overqualified for the job. But Mr. Clinton will soon realize that no Democrat has the stature to fill that position and instantly reassess the world. The party has been out of power too long for world-class reputations to develop.

Some obvious and able candidates, for example, are Representative Lee Hamilton, former Vice President Walter Mondale, and Warren Christopher, the number two at state under Jimmy Carter. But they may be seen as too liberal to provide sufficient conservative cover for the White House.

If so, Mr. Clinton will look next at moderate Democrats like Senator Bill Bradley; his standing is good with conservatives. Or the president-elect could think even more widely and craftily and focus on Republicans — like Senator Richard Lugar. Defense should be easy. Representative Les Aspin and Senator Sam Nunn both have the necessary expertise and conservative backing.

The CIA would be a natural home for someone like retired Admiral William Crowe, who was chairman of the Joint Chiefs of Staff under Presidents Reagan and Bush. Admiral Crowe has an unassailable political claim to a top position. His campaign endorsement gave Mr. Clinton critical protection from the right. The two Daves, Representative McCurdy and Senator Boren, also fit the bill.

The post of national security adviser should go to a skilled, moderate pragmatist. The leading candidate continues to be Tony Lake. He ran the foreign policy side of the campaign with Samuel (Sandy) Berger, a Washington attorney, and was head of State Department policy planning for Cyrus Vance. The Lake-Berger strategy of reaching out to Reagan Democrats and neo-conservatives, if it is not Mr. Lake, the field will be wide open.

Selecting such a moderate-conservative team raises the question of what to do with loyal liberals. Mr. Clinton's answer should be obvious: Give them the "new agenda" issues like environment, energy, drugs, refugees, foreign aid and development. And center these activities in a new Economic Security Council and staff — paralleling the NSC staff — which he recently proposed to mesh foreign and domestic economics.

Liberals would be in no position to cry foul. These are the very issues they have rightly been fighting to place at the core of world politics for the last 15 years.

Mr. Clinton has little direct familiarity with national security personalities. He will therefore rely heavily on Al Gore, who knows them all, and well. By record and instinct, the vice president-elect will reinforce the push for a moderate-conservative team.

May the force be with these two young knights of bright countenance on their journey. With anxieties high, the honeymoon is almost over.

The New York Times.

## A Japanese View of the Kuril Dispute

By Kenichi Ito

TOKYO — Three clusters of islands in the Asian policy of the United States need prompt attention.

First, there is a view in Asia that Bill Clinton will be more protectionist than George Bush. If so, East Asian countries that have large trade surpluses with the United States would be hurt. And some Asian officials and businessmen have expressed concern about diversion of U.S. investment and trade away from Asia to Mexico under the planned North American Free Trade Agreement.

Second, there is a view in Asia that Mr. Clinton will move to expand the deficit in the short term even more dramatically, so as to jump-start the economy. Behind the scenes, Clinton advisers debated that possibility in his administration.

Third, there is a view in Asia that Mr. Clinton will have no shift in the economic program unless a radical downturn in the economic outlook emerges, and they see such a change on the horizon.

In his jubilant victory speech, Mr. Clinton takes pains to stress that he is a middle-of-the-road Democrat, referring to a "new" Democratic Party that would reach out to Republicans and independents as well.

On election day, in a telephone

conversation with Little Rock, Rob Shapiro, who runs the think tank associated with Mr. Clinton's centrist Democratic Leadership Council, stressed that Mr. Clinton would stick to his pledges on the deficit.

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## OPINION

**No Tears for Bush & Co., Nor Joy for Clinton Inc.**

By William Safire

**WASHINGTON** — With reporters on campaign beats covering the reception of returns in Houston and Little Rock, and with the Washington editors up in New York putting together the election issue, an election night the New York Times bureau here was like a morgue.

Seeking human political contact at a historic moment, I walked one block east to watch the returns in the office of Lane Kirkland of the AFL-CIO. We differ on economics, agree on foreign affairs, but in this election we were curiously aligned: Lane was a Democrat supporting Bill Clinton, I was a Republican opposing George Bush.

Labor's leader is an understanding soul. As the returns came in, neither he

*We of the right will lie down and bleed awhile. Then, with the advantage of being in opposition, we will build a movement that can stick together without anti-communism as glue.*

nor his other guests gave loud boos of happiness at the Clinton victory. He tolerated my small whoop at the victories of Senators Al D'Amato and Arlen Specter. As one who had known 12 long years in the presidential wilderness, he respected the feelings of a Republican watching his side lose — and, even more troubling, who had voted against his side.

I imagine a great many people on the right feel as I do today: not triumphant by any means, but not sorry to see the Bush people go. Twelve years is a long time for any group to be in power, and this bunch was beginning to turn Republican sour.

We do not buy the Democratic line about years of greed and jingoism; by large, the '80s were years of prosperity and global success. But not lately.

The first term, with Ronald Reagan in charge, found greatness in stopping inflation and, yes, "winning the Cold War." But the second Reagan-Bush term, with its dreamy morning-in-America theme, lost its fervor. The third term, with Mr. Bush presiding, lost its sense of direction.

*Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.*

We are not happy about the Clinton plurality (although Bob Dole, the new Republican top dog in Washington, must be secretly delighted). Instead, we have a sense that the White House had become occupied by occupants. They were not "exhausted volcanoes," in D'Amato's phrase about Gladstone, because they were never true volcanoes — but they are exhausted.

The excuse for single-termhood is that the economy did not recover in time. But that is just part of it.

Strategically, the Bush entourage missed history's boat in the Soviet Union and China, was engulfed by error in the Gulf, and not until the last minute tried to make the case for a coherent conservative domestic policy.

Tactically, in the campaign, the tardy James Baker botched the convention by romancing the hard right. Then he blew the debate negotiations, preferring to appease Ross Perot and use him as a buffer, rather than freeze the billionaire out and deal directly with the president's Democratic challenger.

That is why some of us crossed over and why the Reagan Democrats went home or waltzed off to gold-plated protest. And it explains the curious lack of a letdown in watching the president concede; one letdown had come months before.

With both the White House and Congress in the hands of the Democrats, what now for the ideological homeless? Conservatives have to do more than oppose grumble view with alarm and drag a foot.

We will lie down and bleed awhile.

We will retreat to the think-tank mountains and op-ed marches to cook up a new-old philosophy that exists individual freedom and national strength and public rectitude. With the advantage of being in opposition, we will build a new movement that can stick together without the gibe of anti-communism.

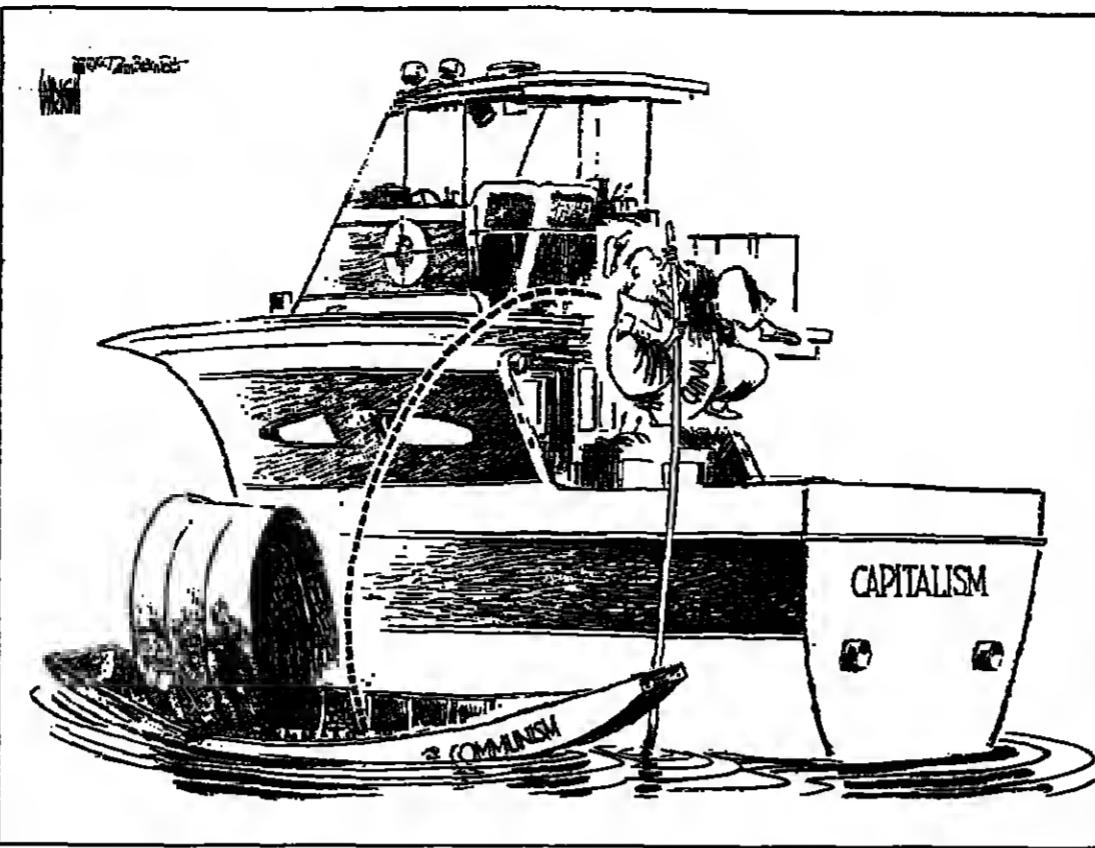
If the Clintonians advance prosperity at home and human rights abroad, we will learn from them; if they fall out over the spoils of office or revert to budget-busting, redistributive type, we will hold them accountable.

But wait: Each new administration is entitled to a honeymoon period — a time to plan a transition, appoint the new team, present detailed legislation, persuade the people to support their different approach. The Clinton administration deserves no less.

(Pause.)

O.K., that's it — the honeymoon is over. The Clinton and Gore "victory" speeches were long-winded and inappropriately contentious and revealed a pair of stamp-loving politicians unwilling or unable to shift from campaigning to governing. If these boxes (good, irreverent figure of speech!) cannot get it together soon, the revitalized right will be back before you know it.

*The New York Times.*



## LETTERS TO THE EDITOR

## Trouble Without Borders

*Regarding "Hurry to Put European Union Back on the Rails" (Opinion, Oct. 28) by Karl Kaiser, Cesar Merlini and Dominique Moïse:*

The distinguished authors made a very strong case for the European Community as the solution for European crises. But I was struck by the fact that their concerns went no further than the borders of the former Soviet Union. The inability to stop the bloodshed in Bosnia is clearly a problem, but the dead of Nagorno-Karabakh or Tajikistan obviously do not haunt the EC. Nor are residual feelings toward Edward Shevardnadze strong enough to make the war in Abkhazia a European problem.

This approach demonstrates the trend to split the Conference on Security and Cooperation in Europe into a Western zone, where the EC would be responsible for stability, and an Eastern zone, where Russia supposedly could be the guarantor of order. The failure to accomplish such an impossible mission could push Russia into isolation. The dangers of such a development should be obvious.

PAVEL BAEV,  
Osn.

## A New Finlandization

*If the Serbs stay in the 35 percent of Croatia and the 70 percent of Bosnia they now control, both Bosnia and Croatia will be subjected to them by the same relationship that existed between Finland and the Soviet Union.*

STJEPAN BALOG,  
Warren, Michigan.

## The Costs of Peacekeeping

*UN Secretary-General Boutros Ghali has proposed that United Nations peacekeeping operations be financed within the defense budgets of member states (why not add relief operations as well?). Don't let us forget that the current U.S. defense budget is in the realm of \$700 million per day.*

*The costs of peacekeeping and relief operations pale in comparison.*

*Peacekeeping equals defense — on a global scale. Emergency relief operations also equal defense — the defense of lives in immediate danger.*

LIEM SOEH LIONG,  
Thornton Heath, England.

## Mairet's Last Case

*Regarding "The Curious Case of Georges Simenon" (Back page, Oct. 27) by Katherine Knorr:*

Perhaps Simenon would have had a better reputation had he not written any Maigrets. But in the great vast world out there, I feel, as millions of other readers certainly do, that life would be just a little bit sadder had he not done so.

MICHAEL CHAPLIN,  
Cortier-sur-Vevey, Switzerland.

## Radio Free Asia

*Regarding the editorial "Asia Democracy Radio" (Oct. 21):*

A professionally run radio for Asia should not be limited to totalitarian countries like China, Burma and North Korea but extend also to authoritarian countries like Indonesia, Malaysia and Singapore. Officials in these countries often clamp down on publications like the Far Eastern Economic Review, the Asian Wall Street Journal and your own newspaper.

## U.S. Help for Iranians

*As Americans consider their agenda for the next four years, we Iranians who yearn for our country's freedom hope for an end of the U.S. policy of benign neglect of the cause of democracy and human rights in Iran. The United States,*

*we hope, will initiate a policy on Iran more in keeping with the moral requirements of our time.*

The Middle East remains a powder keg. Nothing has changed in regard to

**His Real Character Problem Is This Nation of Whiners**

By Charles J. Sykes

**M**ILWAUKEE — Perhaps now that the presidential campaign is over, Americans can talk about the other character issue. Not the character of the candidates but the character of that great mass of annoyance, grievance and Name — the American people.

From classrooms and courtrooms to self-help seminars and television talk shows, Americans have taken up the

tim of "compulsive lateness syndrome." Were Walt Whitman to somehow return, he might still hear America singing, but he would have to listen hard to catch the melody over the sound of America whining.

The president-elect inherits a dysfunctional and aggrieved populace, along with national gridlock — the result of an irresistible search for someone or something to blame colliding with unwillingness to accept responsibility.

Voters elect people who promise to cure every ill without ever presenting them with a tab. America's politics thus reflect Americans' lives.

Americans have come to believe that they are entitled to all sorts of self-realization, gratification and fulfillment — without strings, pain or responsibility. Unless Bill Clinton addresses this other character issue, he may find a nation whose compassion is exhausted by the clamor of complaint. It is, after all, the genuine victims of misfortune, discrimination and injustice whose experience is trivialized and ultimately drowned out in this nation of "victims."

According to Aaron Wildavsky, a political scientist, if you add up all the groups that consider themselves oppressed minorities, their number comes to 374 percent of the population. The increasing tendency of Americans to fragment themselves along the lines of race, sexual preference, gender, ethnicity and psychological infirmities may reflect their sense of the loss of more traditional communal ties — family, church, community.

But rather than defining themselves in terms of a shared culture, these new communities of grievance are animated by a shared conviction that they are victimized — by "heightism," "lookism," "sizeism," or "toxic" parents. The victim culture is fueled by a desire to redefine inappropriate conduct as disease or "addiction."

The National Association of Sexual Addiction Problems estimates that 10 to 15 percent of all Americans are "addicted" to sex. The National Council on Compulsive Gamblers claims that 20 million Americans are "addicted" to games of chance.

Mr. Clinton may be loath to remind the people that, whatever their expectations, life is often marked by disappointment and limitation.

But he can, perhaps, suggest a mitigation on blame. This does not mean suspending the search for justice, nor does it deny the complexity of society's problems. But it does question how useful it is to focus efforts on elaborating grievances and refining excuses, rather than on facing responsibilities.

The writer is author of "A Nation of Victims: The Decay of the American Character." He contributed this comment to *The New York Times*.

## GENERAL NEWS

**Cars Roll On in Serbia Despite Sanctions**By Blaine Harden  
*Washington Post Service*

**BELGRADE** — An advertisement this week in a Belgrade newspaper poignantly explained the effect United Nations economic sanctions are having on Serbia.

"People of Belgrade, pamper yourselves," the ad said. "A registered trading company dealing in oil products will bring gasoline to your door. Wherever you want it, as much as you want."

For those who prefer the more traditional method of driving a car to a service station, more than 190 private stations have opened across the republic in the last month. The Serbian government is leaving the state-owned stations to private operators, and it asks no questions about the price or source of the gasoline.

Gasoline lines are far shorter than they were before May 30, when the United Nations decided to impose sanctions to punish the Serb-dominated Yugoslav federation for armed aggression in neighboring Bosnia-Herzegovina.

Prices are high — about \$7 a gallon — but supply is abundant. So much gasoline is available that market forces have pushed prices down in the last two weeks.

More than five months after the imposition of what was supposed to have been a tough and comprehensive package of sanctions, it is becoming embarrassingly clear to Western governments that they are not working.

The sanctions, which include a ban on most trade, have contributed to a growing economic crisis in Serbia, including soaring inflation and a 60 percent drop in production and have caused severe shortages of such products as heating oil.

But Western diplomats here acknowledge that the sanctions are having the perverse effect of punishing working Serbs with soaring prices while lining the pockets of smugglers who operate with the approval of the Serbian government, led by President Slobodan Milosevic.

**The sanctions are enriching those responsible for the policies that caused the sanctions in the first place.'**

A Western diplomat

cross the border is often obtained with gifts of top-brand Scotch whisky to Bulgarian customs officials.

Besides bribes, there are huge legal loopholes in the sanctions. One allows trucks marked "transit" to enter Yugoslavia, unload and leave the country without systematic checks to verify the whereabouts of the cargo.

Another loophole allows trucks to enter Yugoslavia carrying goods bound for Bosnia. Since most of that former Yugoslav republic is now controlled by Serb gunmen, the sanctions do not hinder the Serbs, widely regarded as the aggressors in the war, from getting supplies of fuel or food.

"We are doing much better than the West had expected," Mr. Milosevic told a convention of his governing Socialist Party — the renamed communists — last month.

**Talks Among Bosnia Foes Are Delayed**

Reuters

**SARAJEVO, Bosnia-Herzegovina** — Talks between Bosnia's warring parties, which the United Nations hopes could lead to the demilitarization of Sarajevo by Christmas, were stalled Thursday because the Serbian negotiator was ill and could not attend.

In Belgrade, UN officials trying to end fighting between Muslims, Serbs and Croats warned that they could not provide enough food for civilians trapped by the war and again raised the specter of a winter famine.

The three-party meeting on Thursday, at which the UN military commander, General Philippe Morillon, presided, was due to discuss a UN plan to demilitarize the capital, which is ringed by Serbian gunmen and defended by Bosnia's Muslim-led army.

But Bosnian and Croatian military delegates refused to talk to a

Serbian colonel who was offered as a substitute. The meeting was postponed until Saturday.

"Today was a difficult day," General Morillon said, "because the leader of the Serbian delegation was sick we were not in a position to take a decision."

General Morillon announced his goal to demilitarize the city by Christmas.

But he added that all three parties had endorsed the plan in principle and would discuss amendments on Saturday.

The onset of winter and the plight of Sarajevo's 380,000 residents, who are without basic supplies, has increased the urgency of UN efforts to end fighting and secure safe supply routes.

UN officials say an international airift and intermittent overland deliveries are only managing to meet about two-thirds of the city's basic food needs.

Safe passage for the relief ship-

ments and for local and foreign journalists covering the civil war was also discussed at the meeting Thursday on demilitarization.

But given the bitterness of the civil war and the failure of many UN-brokered cease-fires, it is difficult to imagine either side surrendering its weapons around Sarajevo.

Bosnian troops inside Sarajevo wonder how the United Nations could guarantee that besieging Serb forces, with secure lines of transport and communication into Serbia, would not be resupplied with weapons in the future.

Bosnian officials have said they hope President-elect Bill Clinton will help lift a UN embargo which is preventing their Muslim-led army from buying arms.

Serbs have already captured about 70 percent of the former Yugo-

## An open letter to the Fifth Committee of the UN General Assembly

**If the UN went on strike, the world would be in a fix.**

People would freeze and starve and suffer. Refugees would be lost with no one to help them. Pregnant women all over the world would be deprived of pre-natal care. Millions of children would not be vaccinated and become ill.

And many people would die.

The staff of the United Nations do a lot more than just talk and write reports. Every day, we save lives. Feed the hungry. Protect refugees. Maintain peace. By making the UN work, we make the world better.

Every hour of every day, everywhere in the world, the UN is there. Without the UN, wars would take a heavier toll than they already do. Children all over the world would die of diseases we can control or prevent. When an earthquake strikes, who would provide emergency shelter, food and medical supplies? Where people are starving, who would deliver rice and grain? Where people are suffering, who would they turn to? And who would patrol scores of tense borders around the world?

The world without the UN sounds terrible, doesn't it?

But the UN does work. Every day UN staff are at their jobs in over 600 duty stations around the world. True, some push paper, but this is important too. We make sure treaties are signed. We write and translate manuals on shipboard medical care. We prepare guidelines for delivering medical care for every disease you care to name, and some you don't. And we negotiate regulations for satellites and air travel, laws of the sea and the skies, the ozone layer and the environment.

Most of us performing humanitarian and peace-keeping tasks work in conditions that would scare away all but the most dedicated. We're used to facing disasters. But now, we're facing a disaster of our own.

Proposals before the UN General Assembly this year for short-sighted economies at the expense of staff could destroy the UN. If they are adopted, the UN will no longer be able to meet its global responsibilities and the new challenges that lie ahead. An awesome prospect—and one that depends on you.

Fifth Committee members, agree to:

- Maintain the competitiveness of General Service salaries and pensions
- Restore the competitiveness of Professional salaries and pensions, and
- Give us the right to negotiate our conditions of service.

We're not asking for the world—as UN staff, we already have that honor. Don't force us to go on strike. Our work is too important for that.

## When Phrase-Book Words Fail You

By Christopher S. Wren  
New York Times Service

**O**NCE upon a time I really did speak Spanish, in that halcyon interval between my last year of high school Spanish and my first year at Russian in college. The subsequent hiatus of more than three decades is a round-about way of explaining why words failed when my rental car was towed away in Granada.

When my wife, Jaqueline, and I vacationed in Spain this summer, our first encounters with local residents made clear that my vaunted Spanish was much rustier than my ego had acknowledged. What I needed was a little prompting, which is why one afternoon in Madrid, I forewent my siesta to buy a Spanish phrase book.

The only sure way to communicate abroad is to take proper language lessons, or at least some language tapes to chatter along with on road trips. But in Madrid, I went to the closest department store and bought the only English-Spanish phrase book on sale.

Though it was compiled and published in Spain, its name inexplicably evoked a university in faraway Connecticut, to which it bore no evident relation. "With the Yale Guide you will be sure of making yourself understood at any moment and you will be able to benefit to the utmost from your stay and from the delicious Spanish food," the introduction asserted.

The book jacket promised "a choice collection of pattern phrases to manage oneself at the hotel, at the restaurant, in the shops and in any other different circumstances." The tone inside sounded even more encouraging.

**B**ACK in our hotel room, I delved into my pocket guide with not a little disappointment. Here was the magical language of Miguel Cervantes, of Carlos Fuentes and Gabriel García Márquez truncated into a succession of set clichés, most of them superfluous to my visit to Spain. "Deme un depilatorio suave" ("Give me a smooth hair remover"), one phrase pleaded, when what I needed was a new tube of toothpaste. Asking a taxi driver in a strange city to "Llévenos una buena sala de fiestas" ("Take us to a good night-club") struck me as a recipe for a ripoff.

"No tiene algún objeto con el nombre de esta ciudad?" ("Have you something with the name of the city?") was unnecessary in a country where the trick was finding a souvenir without the name of Barcelona or Toledo or Córdoba. "Tengo avería" ("I have a breakdown") sounded more useful, though it evidently referred to mechanical problems rather than mental distress in Spain's formidable traffic.

My phrase book lavished five pages on the



bullfight, including phrases for a hypothetical conversation with fellow spectators. I had visions of an elegant but nearsighted señorita seated behind me whispering in my ear, her perfume filling the afternoon air as she inquired anxiously: "Lo ha matado de una buena escotada?" ("Has he killed it after a good stab?"). And I could alay her concern with the observation I had memorized on page 112:

"Si el público aplaudira mucho y agite los pañuelos pidiendo la oreja como premio para el torero." ("If the public applaud a lot and wave their handkerchiefs asking for an ear as a prize for the matador," I would reply.)

Delighted by my fluency and erudition, the señorita, or perhaps her avuncular patron, would insist on taking us all to dinner at one of Madrid's outrageously expensive restaurants. I never got to try it because Jaqueline came to Spain for the cathedrals and museums, not the bullfights, so instead we viewed the Goyas at the Museo del Prado.

Some phrases sort of worked. "Por favor, tienen habitaciones libres?" ("Please, have you any room free?"), I recited, and if the response was "sí," we were accommodated for the night, though the torrent of Spanish that followed my second question, "Cuál es

el precio?" ("How much is it?") was invariably harder to decipher over the telephone. "Llene el depósito" ("Fill her up"), I told the gas station attendant, who nodded and pumped something costing more than \$4 a gallon into our car.

And how could I quarrel with that eternal question posed by my phrase book on page 91, "Encogen al lavar" ("Will they shrink in the wash?")

But only a crisis offers the real test. I must report that my Yale Guide — "The book you will recommend to your friends!" its cover blurb said — failed in Granada, an Andalusian city renowned for two remarkable features: (1) a Moorish architectural wonder called the Alhambra, and (2) on place to park.

After a day spent wandering through the elegant halls and refreshing gardens of the Alhambra, Jaqueline and I drove downtown to look for an inexpensive restaurant. Though it was after 7 P.M., the city overflowed with cars, most of them parked. Eventually we found an obscure curbside slot near the teeming Plaza Nueva, where I wedged our small red car into a parking space.

When we emerged from dinner, at about 9 P.M., our car was gone, and two other cars filled its place. We wandered around the

square amid rising certainty that our car had been stolen. I returned to the restaurant, found the proprietor and thumbed through my book for the appropriate phrase.

"Quiero hacer una denuncia, porque me han robado, atracado, estafado, etc." ("I want to report to the police that I have been robbed, mugged, swindled, etc."), prescribed the phrase book, which missed the point because the car had simply vanished. I conveyed enough of my desperation that the proprietor helped me telephone the police and then kindly accompanied me back to the scene of the crime.

**W**HILE we dallied over our gazpacho, he concurred, our car had been towed away. There was no sign to prohibit parking and other cars had now squeezed into where mine once stood, but an orange paper triangle newly glued to the sidewalk provided the telltale clue. A squad car drove up with two policemen and stopped in the only vacant space, which was on the sidewalk.

"Puede usted remolcarlo?" ("Can you tow my car?") was the closest phrase yielded by my book, when I wanted the police to get the car untowed. The radio crackled as they traced its whereabouts somewhere on the far side of Granada. I had no trouble understanding the officer's cheerful observation that retrieving the car would cost me "muchas pesetas."

Granada's policemen were nothing if not chivalrous. When I failed to absorb their intricate directions in Spanish, they chaffed us themselves. The patrol car took us down dark, deserted streets into the bowels of Granada un frequented by tourists. We climbed out and shook hands with our police escorts before descending into the basement, where an official sliced through the linguistic Gordian knot. He took out a large paper, wrote "6,450 pesetas" across it, stamped it with assorted seals and thrust it under the glass barrier of the cashier's window. I wanted to tell him that we had unstintingly spent all our money in his beautiful city, creating jobs for his sons and daughters. But my Spanish fell well short of that lyrically cogent argument, so I wordlessly forked over the equivalent of about \$60. We extricated our car and found our way back to our hotel, thanks to some elaborate body language imparted by the towing staff.

I suppose there is a place for phrase books, if they ask such salient tourists' questions as these: "Was the lettuce in my salad washed today?" or "Could you find us a table a little farther from your dirty dishes?" or "What time may I expect the discotheque under my window to close down?" I have yet to visit a country where I felt impelled to say, as my book urges on page 95, "Cree que llevare estos patines" ("I think I shall take these roller skates").



A sampling of designs by the British silversmith Jocelyn Burton.

## Play 'em Again: A New Lease on Life for 78s

By Conrad de Aenlle  
International Herald Tribune

**T**HE latest audio technology is bringing the earliest records — the tiny, hissing, very low-tech 78s — back from the brink of obscurity, or at least down from the attic.

Record companies like EMI, a leading practitioner of the art of computer-assisted restoration of 78-rpm disks, are scouring their archives for classics to re-release, or in some cases to issue for the first time. Record buffs, should they have the money and desire, can dust off parts of their own collections and take them in for an auditory face lift.

Two methods, called Cedar and Sonic, are used at EMI's Abbey Road Studios in London, occasionally for individuals and other companies, but mainly on its own extensive catalogue of 78s.

"We're going further and further back" in time to find records to fix up and release, said Jenny Keen, an archivist at EMI. "In the archives here we've got some pieces of music we've never released — old metal-work stuff that was recorded, then it was decided the time wasn't right to release it. We make pressings of them, then send them to the studio and a perfect recording is made."

Among the master disks being reworked, she said, are test recordings made by Noel Coward but never released because "the producer's notes said his voice was too thin and weedy and wouldn't sell well."

Some individual collectors have their own recordings restored, as well. The cost at Ab-

bey Road, using the Cedar system, is up to £100 per platter, or about \$150.

"It's a rather expensive process," Andy Walters, EMI's historical remastering engineer, acknowledged. He's the person responsible for restoring all the company's releases of 78s. The expense keeps many record companies from doing this sort of work in house. One of the bigger ones that does, besides EMI, is RCA, he said.

The two enhancement processes use computers to remove the clicks, pops and other extraneous sounds that creep into records over the decades. With Sonic, developed by an American company called Sonic Solutions, the computer then replaces missing bits of sound with what it was in the original. One of the bigger ones that does, besides EMI, is RCA, he said.

The Cedar process, which is done in real time, compared with two or three hours for the other, is the one Walters prefers for doctoring up 78s.

"The hiss is greatly reduced," he said. "The clicks are removed. Underneath the noise and the clicks, you get great mono sound. Some of them sound like they were recorded yesterday."

That's just the problem, say the high-tech systems' detractors. They should sound exactly like they did when they were recorded 60 or 70 years ago, they contend. That's what a British company called Nimbus Records tries to do.

Nimbus's engineers employ much the same process used to make the records in the first place. Only there needles, out diamond stylus, pick the sound off the disks, which spin on a 1930s wind-up phonograph. A micro-

phone is placed in front of a horn that is 20 feet long and 7 feet in diameter (6 meters by 2 meters). The sound is then recorded on compact discs, as with the other methods.

Norman White, a Nimbus consultant, said little souping-up of the records is done.

"We only take out the actual clicks from a dent in the original pressing," he explained, and not "the fried egg sound you get in most pressings. The only way to take those out are electronically, but then you take out half the music. You're telling the computer to subjectively select the missing music and replace it."

While a tiny bit of music no longer exists

### HEAR THIS

In the interest of making things easier for people, which can only be good, 30-minute cartoon-and-puppet films based on six Shakespeare plays will be appearing on television around the world starting next week. They are co-produced by the BBC and the Russian Soyuzmultfilm (for the animation) and are intended to bring these classics to a wider audience, Reiter tells us. Some grouchy academics are upset by this, of course, but others are pleased: "Shakespeare would have loved them. After all, he was continually updating and amending his work," said Professor Stanley Wells, director of Britain's Shakespeare Institute. Something like this, perhaps: "To be or not to be, WOW KAPOW! ZOUNDS!"

at each place where there was a click, the blank spot that remains lasts such a small fraction of a second, you're not going to miss it. It's as simple as that," he said.

What's not so simple is finding suitable little souping-up of the records is done.

"You have to spend a great deal of time searching for perfect copies," said White, whose collection of 78s totals 20,000. "I spend quite a lot of time in the States going through dealers' stock. We would only use a copy that is not perfect if it's something where there's virtually no chance of finding a perfect one and the musical value was such that you couldn't do without it."

Of course, that wouldn't help collectors who only wanted to go through their attics. Can listeners really tell the difference in the way a 78 is resurrected?

"It depends on how they listen; all these methods are subjective," White conceded. "I reckon ours, through doing it in a natural way, is more musical. I listen to both and find [the Nimbus recordings] more natural, with a more natural ambience."

A more objective listener, Steve Simels, music editor for the magazine Stereo Review, does not find nearly as much wrong with the Cedar and Sonic systems as White does.

"This does not in any way degrade the music," he said. "It helps more than hurts, if used correctly."

Walters's specialty is reworking old classical records, where the clicks and noise are especially bothersome. In other types of music, though, it's not such a problem, at least to some listeners' ears. "If I'm listening to jazz, I like to hear the clicks myself," he admitted.



Brigitte Bardot in "Olivier Olivier."

Like a magician, Avati manages to produce flashes of color against a backdrop that seems about to fade to black. His characters show resilience and strength in learning to absorb — if not overcome — their disappointments, and a willingness to appreciate the small but not insignificant joys that have always been the light in Avati's human universe. (Ken Shulman, IHT)

Rampage  
Directed by William Friedkin  
U.S.

William Friedkin's chillingly effective "Rampage" begins with the sight of a killer preparing to commit his crimes. Charles Reece (Alex MacArthur), a handsome, wide-eyed man with a dis-

tinguishable smile, buys a gun at a store and answers jovially when the seller asks an obligatory question about whether Charles has been in a mental hospital. ("Let me think. No.") He stakes out a safe-looking suburb. He selects a house at random, surprises the white-haired woman who answers the door, then shoots three people, going on to carve up two of them with a kitchen knife. These events are left largely implicit, with the bloodied offscreen, but the full scope of their grisly nature is allowed to sink in. In presenting this murderous spree, which goes on to include a mother and young son from another household, Friedkin's method is as systematic as Reece's. He works briskly and efficiently to lay out the details of a case based on a real story. "Ram-

page," while offering discreet exposition about the murders and their aftermath, also becomes a tirade against a judicial system that would spare someone like Reece by deeming him criminally insane. The film has a natively realistic look that serves its subject well, and it avoids an exploitative tone. That is fortunate, since the material is so potentially lurid that it needs no further stylistic amplification.

(Janet Maslin, NYT)

Olivier Olivier  
Directed by Agnieszka Holland  
France.

Agnieszka Holland has a fascination with displaced or double identities. Like "Europa, Europa," this story is based on a real drama. One day, Olivier (Emmanuel Moire) bicycles over the hill to grandmother's house, as in the fairy tale, and does not come home. Years later, a Parisian boy prostitute (Grégoire Colin) appears as a revenant to grieving parents (Brigitte Bardot and François Cluzet) and a suspicious sister (Mariana Goldovszky). The second part of the movie — is he or isn't he? — provides the kind of perverse thrill TV reality shows offer, with the bonus of incest and rape. Blown up for the big screen, this version of family life in the provinces aims to turn reality into titillating fantasy. It will be interesting to see what Holland does with her next movie, "The Secret Garden," in August.

(Joan Dupont, IHT)

## Antiques of the Future?

### Silversmith's Work on Display

By Lawrence Malkin  
International Herald Tribune

**L**ONDON — Modern silver usually means something seamless, shiny, Scandinavian, and probably indistinguishable from stainless steel. Then why make it in silver at all?" demands the British silversmith Jocelyn Burton, whose ebullient personality matches the extravagance of her creations. They teem with semiprecious stones and carved flowers. Needless to say, every designer-craftsman in England was angling for a piece of that action, with Burton proposing a set of bejeweled silver wall sconces. She is still waiting for the phone to ring.

Burton can be visited in her mews studio, at 906 Red Lion Street, in back of a Korean restaurant and bar by the Hatton Garden jewelry district, where she began as an apprentice a quarter-century ago after walking out of art school because women were not permitted to take the silversmithing courses. Not surprisingly, most pieces there were square, heavy, masculine things like desk sets. She abandoned the trade by countering with powder-puff cases, silver champagne flutes with diamond bubbles, and an outrageous, most un-British moonstone-tacuzzed goblet that she eventually sold to an Arab sheikh.

A member of the British studio movement of designer-craftsmen, who work with an artisan or two or three that usually make mass marketing prohibitive, she cheerfully accepts commissions from private patrons and public institutions. She is also one of the few working in London; most others prefer the calm of the country, undisturbed by the curious patrons upon whom Burton thrives.

"After so many years when the antique trade and the auction houses dominated the market, I think the time is coming when it will be smart to buy modern silver," she said. "The foundation of our trade in the 18th century were the parvenues who made money in sugar or slaves, got a title, and then bought silver in rococo designs that were got up specially for them by Huguenot smiths like Paul de Lamerie who had migrated to London. That is the tradition from which I descend."

By contrast, notes Rosemary Ransome, the curator of the Worshipful Company of Goldsmiths, which sponsors, guides and promotes the British craft, Georg Jensen of Denmark, the archi-popularizer of modern Scandinavian silver, takes the output of workshops using up to 70 craftsmen and distributes it through more than a hundred outlets worldwide.

Ransome predicts that pieces by a score of leading British smiths like Burton are "the antiques of the future." Sotheby's is already auctioning the pieces that Gerald Benney, Stewart Devlin and Robert Welch did in the 1950s. They now fetch at least 10 times their original prices.

**B**URTON'S public commissions include offertory silver for St. Paul's and the Lichfield cathedral; loving cups for City of London livery companies; goblets and table centerpieces for the Fitzwilliam and the Victoria and Albert museums, and for No. 10 Downing Street, fluted silver and lapis candelabra to grace the formal prime ministerial table.

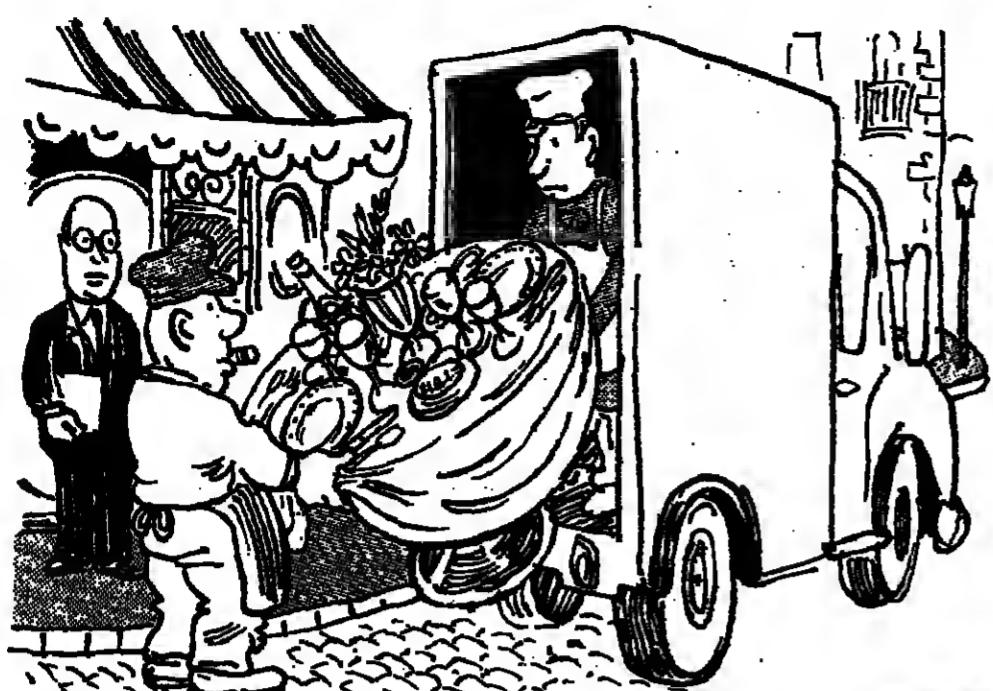
Liberty's is mounting a show of her work from Nov. 11 to Dec. 4 at its Regent Street store, but like most leading British smiths she rarely sells at retail. Visits can be arranged to their workshops to watch commissioned work being turned into the real thing. That's part of the fun of being a patron.

**T**HP price is still under negotiation; although it will be well below antique levels, this is a six-figure project. "People used to want instant history from the saleroom," said Burton. "That is getting too expensive, but they are finding that it is a pleasure to own a piece that represents their families or themselves."

The late Queen Frederika of Greece commissioned her to do sets of egg cups for her royal son and daughter. The deposed King Constantine got his with Doric columns, and Queen Sofia of Spain with Spanish battlements. Cost: \$600 per cup. A wealthy client wanted salvers around the house that would keep his ashes from the sight and smell of his wife, a nonsmoker. Burton responded with hollow silver pears with a hinged top, pulled open and snapped shut by the stem.

Burton works closely with her clients and a stable of artisans who turn out the pieces. "In America the craftsmen have all disappeared and the designers have to reinvent the wheel themselves," she said. "In England the craftsmen still live, and it would be pointless for me to knock out six egg cups or ashtrays when I could spend my time designing and sculpting the patterns. It takes a craftsman 15 to 20 years to perfect his trade to the point where he can do things with panache quickly enough to earn his living. I realized when I was in art school that I didn't want to be one of these artsy-craftsy people who can set a diamond better than a setter who needs at least seven years simply to learn how to do it properly. We have all sorts of such people: spoonmakers, chasers, the lot."

# L E T S U R E



## Bistro Winds of Change

By Patricia Wells  
*International Herald Tribune*

**P**ARIS — Unlike cafés, restaurants rarely hang out a "changement de propriétaire" banner, advising a change in ownership and, hopefully, signaling the beginning of a new and better life for its clientele.

But restaurant changes, as ever, are in the wind. It's hard to say whether it's because of or in spite of economic hard times that Paris restaurants have taken to the streets, in search of better, bigger or more comfortable surroundings.

A recent change that's almost imperceptible for diners is the new ownership of Chardenoux, an off-the-beaten-path bistro with a true neighborhood feel and untouched turn-of-the-century decor. It has been a personal favorite for years, through several owners, and the current patron — the former wine her owner, Bernard Passavant — seems to be keeping it all together.

The restaurant could serve as a stage set, with its bentwood chairs, zinc bar, etched-glass windows and colorful floor tiles. The food is honest, wholesome, well seasoned and without frills. Best bets include the copious salad of Belgian endive, Roquefort and walnuts; a delicious and super-thick veal chop as good as any I've sampled just about anywhere, served with tender morels and a generous serving of steamed, fresh spinach; and a superb plat du jour, the pot-au-feu — served from a single, giant white bowl, with a little jute sack of Brittany sea salt alongside.

On my last visit, I sampled Guy Jullien's reliable Côtes-du-Rhône, Beaufort-de-Venise, and it helped make the evening all that much better. And if *carteres à la savoyarde* are on the menu, do try the deliciously warm, pitted cherries, with vanilla ice cream.

Another change comes from the Parisian restaurateurs Christiane and Gérard Constaix. Over the years, their *Globe d'Or* — a cozy restaurant that closed its door one year ago — provided many satisfying meals. The Constaix family resurfaced a few

weeks ago, in the name of Sud-Ouest & Cie, a flashy, modern restaurant in the now-defunct Paquebot, just steps from the Gare Montparnasse.

They've opted for a better location, more space and a formula meal (first course, main course and dessert for 175 francs), which is all the rage today. I'm not particularly in favor of these "formulas," for it seems to make for formulaic dining as well as fostering a tendency to eat more than one might want.

I've long been a fan of several of chef Constaix's localized dishes from France's southwest, including his refreshing *jambon de pays grillé à l'échalote*, a marvelous platter of thinly sliced country ham that has been marinated in oil and an avalanche of shallots. The ham is grilled, then served atop a huge green salad.

**T**HE popular dish moved with him to Sud-Ouest & Cie, but on a visit just a few days after the restaurant's opening, I found the salad somehow less vibrant, more formulaic. Perhaps it was the flashy surroundings, perhaps the oil used was not up to quality. The same went for the rest of the meal: The soul seemed to have been sucked from the food, the name of quick and easy, General flavorless *mouflet de canard* (breast of a fatted duck) arrived limp, floating in a less than delicious sea of oil on a cold plate, and service was generally of the amateurish vein, save for the reassuring influence of Christiane, who brings a touch of warmth and personality to an otherwise chilly decor.

But I won't write them off yet. There are too few single-owner restaurants left in Paris to lift one's spirits in despair. Give them time, and they may be able to bring back the cozy, personal flavors that kept folks coming back before.

*Chardenoux, 1 Jules Vallès, Paris 11; tel: 43.71.49.52. Closed Saturday lunch and Sunday. Credit cards: American Express, Visa. A la carte, 180 to 200 francs.*

*Sud-Ouest & Cie, 39 Boulevard du Montparnasse, Paris 6; tel: 42.84.35.35. Open daily. Credit card: Visa. Fixed 175-franc menu.*

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### AUSTRALIA

**Sydney**  
Australian Museum (tel: 338.8111). To Feb. 5, 1993: "Gargoyles from the Garden." Featuring 12th-century stone architectural sculptures with blades of grass which stand as high as humans.

**Powerhouse Museum** (tel: 2170.1111). To Dec. 1: "The Beauty Parlor: Selling Beauty in the 1950s." A regression in time to the era of the beehive hairstyle, with original fittings, films and photos.

### BELGIUM

**Brussels**  
Musées Royaux d'Art et d'Histoire (tel: 741.72.11). To Dec. 27: "Trésors du Nouveau Monde." Pre-Columbian art of the American continents from the Arctic Circle to the southern tip of South America.

### BRITAIN

**London**  
Barbican (tel: 638.6881). Nov. 11-Dec. 13: "Tender is the Night: Scandinavian Cinema 1916-1932." This is part of a 600-event festival commemorating Scandinavian cinema. This particular event features 118 of the best in Scandinavian films. Also, Nov. 11-12: "Border Crossing: Fourteen Scandinavian Artists." Explores the work of the artists from the late 19th century to the present day.

**British Museum** (tel: 323.8525). To Nov. 25: "Ukiyo-e Paintings." This is the first of a two-part exhibition, comprised of 100 screens, hanging scrolls, hand scrolls and prints, concentrating on the world of ukiyo-e from the pleasure quarters in the city of Edo.

**Museum of London** (tel: 600.2999). To June: "The Purple, White and Green: Suffragettes in London, 1910-14." A re-evaluation of the early British women's movement.

**Royal Academy of Arts** (tel: 433.7438). To Dec. 20: "Tom Phillips: Major Works 1970-1992." The retrospective includes painted poems and political metaphors dealing with the 1970s in South Africa and Berlin.

### CANADA

**Montreal**  
Musée d'Art Contemporain (tel: 873.28.78). To Jan. 3, 1993: "Free Worlds: Metaphors and Realities in Contemporary Hungarian Art." An exhibition of painting by Alice Bihári, László Fejér, Sándor Pinczey and Tamás Szűcs, along with installations by Gábor Bachman, Imre Bukta and El Kazzavitz.

**Toronto**  
Centre National d'Art Contemporain (tel: 76.21.95.84). To Dec. 14: "Myth and Order: Seven artists, born in different locations after World War II, respond to the theme, concerning artists and the outside world."

### FRANCE

**Grenoble**  
Centre National d'Art Contemporain de Grenoble (tel: 76.21.95.84).

**Paris**  
Ecole Nationale Supérieure des Beaux-Arts (tel: 45.50.50.00). To Dec. 20: "Collection Fondation Peter Stuyvesant: L'Art Actif: Art Works."

**Paris**  
Musée des Arts et Traditions Populaires (tel: 47.22.20.42). To Nov. 22: "Réalités Nouvelles." The 46th annual salon, with the works of 400 artists, including the French painter, Jean-Pierre Ricou.

**Paris**  
Musée des Arts d'Afrique et d'Océanie (tel: 44.74.84.80). To March 29: "Réo-Pynes." Fifty Polynesian art works from the Gambier Islands.

**Paris**  
Musée des Arts Décoratifs (tel: 47.22.20.42). To Nov. 22: "Réalités Nouvelles." The 46th annual salon, with the works of 400 artists, including the French painter, Jean-Pierre Ricou.

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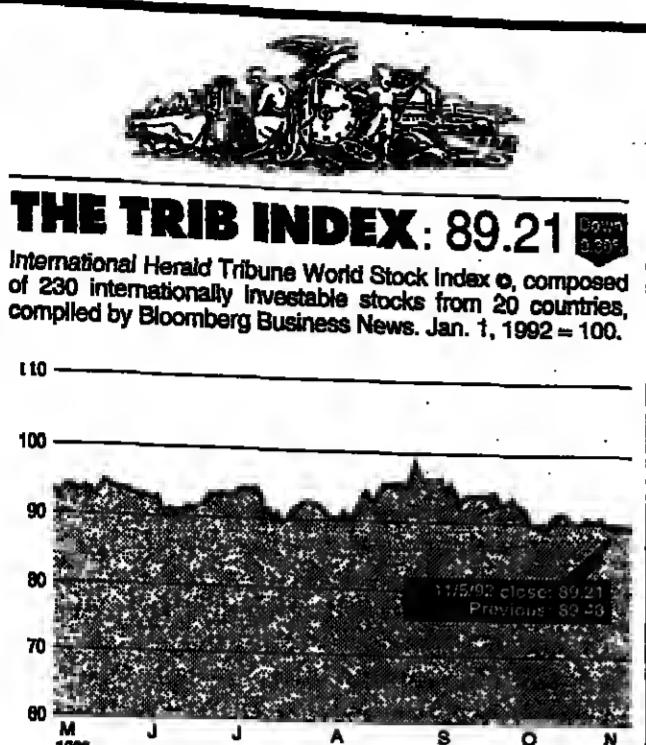
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**THE TRIB INDEX: 89.21**

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

The Index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland.

In the case of Tokyo, New York and London, the Index is composed of the top 10 issues in terms of market capitalization. In the remaining 17 countries, the top ten stocks are tracked.

**Asia/Pacific Europe N. America**

Approx. weighting: 25% Approx. weighting: 40% Approx. weighting: 35%

Close: 83.20 Prev: 83.63 Close: 85.81 Prev: 80.35 Close: 94.82 Prev: 94.44

110  
100  
90  
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60

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1992 ■ World Index

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1992 J J A S O N

1992

Industrial Sectors

Approx. weighting: 25% Approx. weighting: 40% Approx. weighting: 35%

Close: 83.20 Prev: 83.63 Close: 85.81 Prev: 80.35 Close: 94.82 Prev: 94.44

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1992

For readers seeking more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to TRIB Index, 181 Avenue Charles de Gaulle, 92251 Neuilly Cedex, France.

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## WALL STREET WATCH

### Charting the Vital Signs Of the Biotech Companies

By Lawrence M. Fisher

New York Times Service

**N**EW YORK — Call it a correction or call it a collapse, but by any name, biotechnology stocks have taken a beating this year. This means buying opportunities for investors who believe the group has hit bottom. But picking winners remains challenging, and traditional valuations like price/earnings ratios are still not relevant for most of the group.

Viren Mehta, an analyst with Mehta & Iaity Worldwide Pharmaceutical Research, has developed two new measures to evaluate these companies, which he calls the research multiple and the price/employee ratio. These are a function of a company's market valuation — total shares outstanding multiplied by the current share price — relative to its research spending and personnel.

Mehta & Iaity is the only investment firm that concentrates exclusively on pharmaceutical stocks, a characteristic owing much to the fact that Mr. Mehta has both a doctorate in pharmacology and an MBA.

"What is essential for success in this industry?" Mr. Mehta asked. "In my opinion, especially when you don't have a historical record to go by, the total number of staff along with the research budget gives you a common basis to compare all these companies across the universe."

Dividing a company's market value by its research and development spending for the previous four quarters yields some interesting comparisons. For example, the research multiple at Amgen Corp. is 55.2 but only 11.4 at Chiron Corp. and 5.0 at Genetics Institute Inc. With the average across 100 biotech companies being 26.1, Amgen is trading at a premium, while the others appear underpriced.

Similarly, dividing market value by the number of research and development employees shows that the market finds each Amgen researcher to be worth \$11.1 million, while his or her counterpart at Chiron is worth just \$1.1 million, and at Genetics Institute a mere \$700,000. The biotech industry average: \$2 million.

Mr. Mehta believes these numbers give a perspective on each company's future market share, on the assumption that research now will translate into products later. Of course, research expenditure is only one measure of a company's prospects. It must have

See BIOTECH, Page 13

## CURRENCY & INTEREST RATES

### Cross Rates

Source: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banque Commerciale d'Inde (Paris); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (ISOR); Comexant (London).

\*\* To buy one pound; £ To buy one dollar; \$ Units of 100 N.G.L.; not quoted; N.A.L. not overvalued.

Other Dollar Values

Source: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banque Commerciale d'Inde (Paris); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (ISOR); Comexant (London).

### Jobless Claims Decline

#### U.S. Data Set A 2-Year Low, Raising Hopes

Compiled by Our Staff From Dispatches

WASHINGTON — New unemployment claims fell in late October to the lowest level in more than two years, the U.S. government reported Thursday, another sign the economy may be stabilizing.

Claims fell by 16,000 to a seasonally adjusted 363,000 in the week ended Oct. 24, the Labor Department said. That was the lowest since the week ended Aug. 4, 1990, near the start of the recession, when 354,000 Americans filed for jobless benefits.

"It looks like a strong mark for the labor market," said Sam Kachan, chief economist at Fuji Securities in Chicago. "If it stays like this for another two to three weeks, it could mean things are picking up." But he added, "The economy is not growing at a steady pace. It is very uneven."

The report gave the dollar a boost, although trading was quiet ahead of Friday's report on U.S. employment for October.

At the New York close, the dollar was trading at 1.5830 Deutsche marks, up from 1.5690 DM on Wednesday. But the U.S. currency slipped against the yen, ending at 122.88, down from 122.98.

A four-week moving average of unemployment claims, considered a more reliable indicator of labor-market trends than the usually volatile weekly numbers also hit a new low. The average was 371,500, the lowest since the four-week period ended Aug. 25, 1990, when the average was 371,000.

Economists cautioned that the number may look more favorable than actual labor market conditions. Since the start of August, some unemployed people have been eligible for benefits under a special emergency program passed by Congress last summer.

Had those claimants been included, the latest weekly number would have been 22,456 higher. The moving four-week average would have been 22,745 higher.

However, even factoring in the emergency claims, the trend is still positive, and could presage an improvement in the October unemployment rate.

"We're going to have to tell the

The rate in September was 7.5 percent, and analysts, on average, have forecast and increase to 7.6 percent for October.

Separately, the Labor Department said nonfarm labor productivity increased at a 2.6 percent annual rate in the third quarter, up from a revised 1.7 percent gain in the second quarter.

But the main factor in the increase, analysts said, was high unemployment. "Employers just aren't hiring, and they're expecting their remaining employees to work harder and put in overtime," said Marco Babic, an economist at Evans Economics in Washington.

As has been the case for some

See CLAIMS, Page 12

### BT Applauded for McCaw Sale

#### A Return to Strategy After Diminishing U.S. Returns

By Erik Ipsen

International Herald Tribune

LONDON — News of the sale of British Telecommunications PLC's stake in McCaw Cellular Communications Inc., the largest U.S. cellular-phone company, was greeted with considerable relief in London on Thursday.

Ever since BT took its stake two-and-a-half years ago, the price of its holding had slid, as had the market's esteem for BT's pricing judgment. The 22 percent shareholding in McCaw, said Peter Golob, an analyst with Warburg Securities, "was always standing there as a beacon saying 'BT has been bad.'"

Having bought its stake for \$1.37 billion and now agreed to sell it to American Telephone & Telegraph Co. for \$1.8 billion, BT has at least extricated itself from its largest international acquisition with its dignity and its bank balance intact. Analysts reckon that when the cost of carrying the acquisition are factored in, BT likely broke even on the deal.

What is more, analysts were heartened to see in the sale an affirmation of BT's international strategy, which has been aimed at serving the largest multinational corporations with higher-margin, specially tailored services. The McCaw acquisition had long stood as a contradiction to that strategy, as had BT's earlier investment in Mitel Corp., the Canadian telecommunications company that BT eventually sold at a loss.

"McCaw's customers are small businesses,

entrepreneurs and anything but major corporations," said Evan Miller, an analyst with Lehman Brothers International.

Many shareholders also wondered about the wisdom of BT's investment, given that U.S. law barred BT from boosting its holding above 25 percent. A minority stake in a company that was expected to grow quickly and swallow immense amounts of cash in the process was widely criticized as lacking logic. A spokesman for BT, Martin O'Connor, said only, "It doesn't really fit with our global strategy."

Despite two unsuccessful acquisitions, Mr. O'Connor said that North America still remained key to BT's international ambitions. It still serves more than half of the world's large, multinational corporations.

These are the customers BT is keen to sign up for its two-year-old Syntacra operation. Syntacra, based in Atlanta, seeks to provide its customers with one-stop shopping, providing a single bill and enhanced telecommunications service for companies' operations worldwide.

North America is also the site of BT's most successful international foray, the \$355 million acquisition of Time Net, the data transmission network. Analysts say the overwork, which was bought from McDonnell Douglas Co. in 1990, has earned profits for BT from day one, and now operates in 100 countries.

The big question, now that BT has rediscovered its focus and reclaimed its cash through the

sale of the McCaw stake, is what the company will do with all of its cash. On that there is little agreement. Early speculation has centered on BT buying the 40 percent share of Cellnet, a British cellular phone company, that it does not already own.

Analysts reckon that such a move could cost \$1 billion to \$1.5 billion (\$1.5 billion to \$2 billion). That is sufficiently expensive to cause many observers to speculate that it would not be worthwhile, especially given that BT already has managerial and financial control of Cellnet.

Many analysts expect BT to shop around in the United States for an acquisition. "They've got to go where the big multinational customers are, and that happens to be the U.S.," said Mr. Miller of Lehman.

But many analysts note that the supply of billion-dollar-plus telecommunications companies on the market in the United States is not large. The shopping is considered even tougher in Europe, where local phone monopolies are still protected. "Opportunities for acquisition in Europe are still extremely limited," said John Clarke, an analyst with Daws Europe.

Pouring more money into its refocused strategy of serving multinational corporations is a prospect that makes some observers a bit nervous. "They are putting all their eggs in one basket," said Mr. Golob of Warburg.

Others point out that BT's earlier efforts to

See MCCAW, Page 13

### Japanese Face Blunter U.S. Pressure

By Steven Brill

International Herald Tribune

TOKYO — During the past 12 years of Republican rule in the White House, the U.S. government preached the ideals of free trade with its negotiators in Tokyo twisted arms to get Japan to limit its car exports, buy a certain share of foreign microchips or make other "voluntary concessions."

The pretense allowed both nations to contend they were upholding the principles of free trade.

Under a more pragmatic Democratic government led by Bill Clinton, trade negotiators may feel greater freedom to openly demand results with clear benefit to the U.S. economy. The upshot could be an acceleration of the trend toward managed trade and a blunter, more transparent dialogue with Tokyo.

The extent to which Mr. Clinton moderates such advice remains to be seen. Few expect him to adopt outright protectionist policies. Yet there is little doubt he will seek to overhaul economic relations with Japan, China and other countries in Asia that are running perennial trade surpluses with the United States.

His policies toward Japan appear likely to be influenced by "revisionist" views that argue that since Japan is different and will not change, trade negotiators should demand specific results in terms of market share rather than attempt to reform Japanese business practices in order to "level

the playing field." As a result, the Structural Impediments Initiative talks, in which each side sought to reform the other, could be dropped.

As for China, Mr. Clinton said Mr. Bush was "too cozy" with Beijing's leaders after the brutal suppression of pro-democracy demonstrations in 1989. "They now have a \$15 billion trade surplus with us, the second-largest of any country," he said. "We should use our leverage to promote democracy and freedom and human rights."

He disagrees with his whole conduct of international economic policy," Mr. Clinton said of President George Bush in a pre-election day interview released by The New York Times after the election. "We really do not have a

good, coherent policy toward Japan that will lead us to open markets with the Japanese and give us enough respect in their country to be real partners in a movement for global economic growth."

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## MARKET DIARY

## Phone Stocks Lead Wall Street Higher

Compiled by Our Staff From Dispatches

**NEW YORK** — U.S. stocks rose Thursday, helped by a rally in tobacco and long-distance telecommunication issues and increasing signs that the economy is improving.

The Dow Jones industrial average gained 20.80 points to 3,243.84. Advancing common stocks outnumbered decliners by about a 7-to-6 margin on the New York Stock Exchange. Volume rose to about

## N.Y. Stocks

221 million shares from 194 million traded on Wednesday.

Tobacco stocks rallied on news that attorneys for the plaintiffs in a tobacco-liability lawsuit had voluntarily withdrawn the case brought against Philip Morris, Liggett Group and Lorillard. Philip Morris gained 3% to 78½ and RJR Nabisco advanced ½ to 8¾.

Telecommunication stocks soared following AT&T's decision to acquire a 33 percent stake in McCaw Cellular for \$3.75 billion. Among over-the-counter stocks, McCaw rose 5½ to 32. Broadband casting surged 9½ to 7½ and ADC Telecommunications rose 2 to 40. Even AT&T's stock was up, rising 1¾ to 44½; this was the second-most active Big Board stock.

MCI, however, fell 1 to 34½ on concern that it may lose market share to AT&T because of the McCaw acquisition.

## CLAIMS: Jobs Picture Brightens

(Continued from first finance page)

time, people who did not lose their jobs during the recession and its aftermath worked harder to compensate for the output of laid-off colleagues. For example, worker output rose 3 percent in the third quarter, the largest increase in four years, the Labor Department said.

## Foreign Exchange

In other reports, analysts said retailers' October sales pulled ahead of the September-August period, which bodes well for a good Christmas selling season.

Big retailers posted an average 7 percent to 8 percent gain from a year ago in comparable-store sales, according to two major indexes. Johnson Redbook tallied an average 8.1 percent gain in its department chain-store index, and Salomon Brothers tallied a 7.3 percent gain among 11 major retailers.

Comparable-store sales are those from stores opened at least one year, which the industry regards as the truest measure of growth.

"Retail sales are doing well despite consumer confidence being low," said Edward Johnson, publisher of Johnson Redbook. "In the fourth quarter, we are looking for these sales to continue up. But this

stock market received more positive economic news when the Labor Department said that the number of Americans filing first-time jobless claims had declined in late October to the lowest level in more than two years.

"Despite mixed economic statistics, the recovery seems to continue," said Rao Chalsami, chief investment strategist at Kemper Securities.

Chubb was the most active Big Board issue, rising 1¾ to 36½ after the company agreed to lower its stake in Sun Alliance Group for "financial reasons." The company will realize a \$50 million after-tax gain or 1.4 percent, all in 614.09.

The Nasdaq composite is breaking out," said Peter Canedo, investment strategist at County NatWest Securities. "It's a Clinton rally for the Nasdaq.

President-elect Bill Clinton is expected to push through tax incentives and fax credits to help small businesses, Mr. Canedo said.

Echo Bay Mines led the American Stock Exchange actives, off ½ at 54 after reporting a third-quarter loss.

(Bloomberg, UPI)

Via Associated Press Nov. 5

## The Dow

Daily closings of the Dow Jones Industrial average

3,200

3,100

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2,800

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# Lower Prices Hit BP Profit, But Results Beat Forecasts

Compiled by Our Staff From Dispatches

LONDON — British Petroleum Co. reported Thursday a net profit of \$117 million (\$182 million) on a historic-cost basis for the third quarter, down 25 percent from a year earlier but better than expected.

BP said the historic-cost account for the quarter included a stockholding loss of £55 million, compared with gains in the preceding and year-earlier quarters. Earnings of other major oil companies have come under pressure from declining oil prices. Analysts had expected a historic net profit of about \$106 million at BP.

On a replacement-cost basis, third-quarter profit rose to £172 million from £129 million a year earlier, mainly because of lower interest charges and tax charges. Earnings on a historic-cost basis are adjusted to reflect changes in the value of oil held in storage, while those on a replacement-cost basis are not.

The company also said it would halve its third-quarter dividend to 2.1 pence per share, from 4.2 pence a year earlier. That brings its dividend so far for this year to 8.4

pence, down from 12.6 pence in the year-earlier period.

BP said its U.S. exploration and production operations reported slightly lower production in the third quarter, which was offset by higher prices, while in Britain, increased oil production helped to offset a reduction in gas production.

It said third-quarter oil production benefited from new output from the Miller field in Britain and the Kutubu field in Papua New Guinea, which came on stream in June. But BP said gas production was affected by lower purchases by British Gas PLC, which is one of BP's main customers in Britain, and the sale of BP Canada.

Upstream oil and gas production will continue to recover from a midyear seasonal low, BP said, helped by output from the Miller and Kutubu fields. For the medium term, BP expects hydrocarbon production to be broadly maintained at 1992 levels.

But the company said its downstream trading conditions were likely to remain difficult because of the recession and overcapacity in key markets. In the United States,

(Bloomberg, AFX)

the introduction of oxygenate blending into gasoline in the fourth quarter will reduce demand on the refining system and put pressure on U.S. margins, BP said.

BP's immediate outlook for its chemicals division is limited by overcapacity, particularly in Britain and Europe. BP said it would continue to reduce worldwide costs and focus on its asset portfolio.

BP said it expected to sell £1.5 billion of assets this year.

For the first nine months of the year, BP posted a historic-cost net loss of £54 million, compared with a profit of £409 million.

The replacement-cost loss was £54 million, versus a profit of £963 million, reflecting continued poor margins in downstream oil and chemical businesses.

Third-quarter replacement-cost operating profit for refining and marketing fell to £101 million from £190 million. In the nine months it slumped to £256 million from £341 million.

On the London Stock Exchange, BP shares rose 3 pence on Thursday, to 225 pence.

(Bloomberg, AFX)

## Sweden Acts To Protect Its Troubled Banks

Reuters

STOCKHOLM — Sweden announced on Thursday unlimited financial guarantees for its banking sector, setting up a safety net for its troubled commercial and savings banks.

Sweden's financial sector, hit by bankruptcies and soaring credit losses, has not yet shown any signs of recovery, and the government said it had acted to restore domestic and foreign trust.

Officials said credit losses by Swedish banks would reach around 50 billion kronor (\$8.5 billion) in 1992, compared with 35 billion kronor in 1991.

The government said it would offer banks and state-connected mortgage institutes loans and guarantees to cover future credit losses and losses on return on assets, in addition to guarantees to protect new capital issues.

A year ago, the Dutch carrier impressed investors by saying it had nearly quadrupled profit in its busy summer season, while many other airlines managed only to trim

their losses in the wake of the Gulf crisis-induced slump in air travel.

Now KLM has slashed fares to the United States and Asia to try to fill seats amid the economic slump. Second-quarter earnings were boosted by a 15.5 million guilder extraordinary gain from the sale of an express parcel service in 1989.

Revenue in the three months totaled 2.79 billion guilders, up from 2.16 billion a year earlier.

Separately, a U.S. congressman said Thursday that Northwest and KLM have submitted confidential documents to the U.S. government outlining KLM's intent to inject new money into Northwest.

KLM officials denied a published report on Wednesday that they were ready to inject up to \$500 million into Northwest. But Representative James Oberstar, Democrat of Minnesota, said documents submitted in September to the Department of Transportation showed that KLM had proposed a substantial equity investment.

KLM shares recovered on the Amsterdam stock exchange before ending 0.40 of a guilder higher at 12.50 each. (Reuters, AFX)

# KLM Predicts Loss For Year as Net Falls

Compiled by Our Staff From Dispatches

AMSTERDAM — KLM Royal Dutch Airlines, fighting to stay profitable amid a fare war, reported Thursday a 1.2 percent decline in second-quarter profit and said it expected to join many of its rivals in the red over the full year.

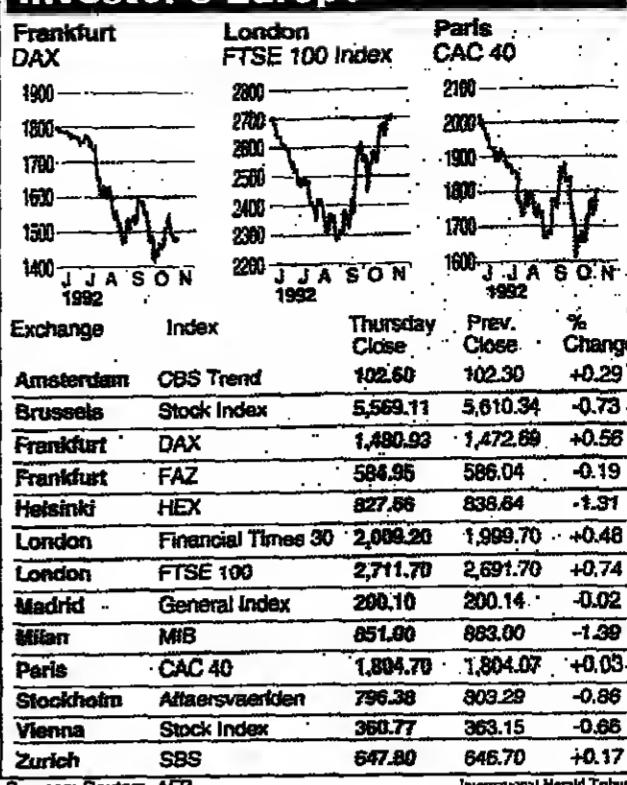
Net profit in the quarter ended Sept. 30 fell to 170.1 million guilders (\$96 million), from 192.5 million in the same period of 1991.

KLM said it faced a loss in the year ending March 31, 1993, because of stiff competition and further losses at U.S.-based Northwest Airlines, in which the Dutch carrier has a 20 percent stake. Cost-cutting measures and new growth in traffic will not compensate, it added.

Most industry analysts had expected earnings to be halved from the year-earlier quarter. They said that KLM, which made a 12.5 million guilder net profit in its 1991-92 financial year, could show a similar-sized loss for the current year.

A year ago, the Dutch carrier impressed investors by saying it had nearly quadrupled profit in its busy summer season, while many other airlines managed only to trim

## Investor's Europe



Sources: Reuters, AFP

International Herald Tribune

Very briefly:

Hanson PLC dropped out of the race for Rank Hovis McDougall PLC, saying it would not raise its £90 million (\$1.2 billion) hostile offer, which was trumped by an agreed bid of £290 million from Tomkins PLC.

Germany's current-account deficit widened to 4.2 billion Deutsche marks (\$2.3 billion) in September, from a revised 1.9 billion DM deficit in August. The trade surplus declined to 5.6 billion DM in September from 5.7 billion DM in August.

Sun Alliance Group PLC and Chubb Corp. of the United States said in a joint statement that they would partly cut stakes held in each other, a move involving two major offers of stock.

Backer Spielvogel Bates Worldwide Inc. appointed Michael Bungey president and chief operating officer, a new post; Mr. Bungey had been chairman of BSF Europe.

Alcatel-Alsthom, leading a consortium of French companies, has won a \$2 billion franc (\$980 million) contract to build Cairo's second underground railroad line.

Smith & Nephew PLC has sold its Solopak generic-pharmaceuticals division for \$13.5 million to Solopak Pharmaceuticals Inc., a corporation organized by the New York-based investment firm Welsh, Carson, Anderson & Stowe.

Barmag AG has bought 51 percent of JVW Ingenieurgesellschaft für Verkehrsplanung & Verkehrssicherung GmbH for an undisclosed price.

Elektrotow AG is offering minority shareholders in Moor Finanz AG 150 Swiss francs (\$107) per bearer share ahead of a restructuring of the Moor group.

AFP, Bloomberg, Reuters

## BIOTECH: Picking Winners

(Continued from first finance page)

enough cash on hand, or operating cash flow, to survive long enough for its drugs to obtain Food and Drug Administration approval and reach the market. At least 15 biotech companies now generate positive cash flow.

"We do not want to invest in any company that does not have enough cash to last at least two years without going back to the market," and selling additional stock, Mr. Mehta said.

Analysts have typically divided biotech companies into tiers — first tier, second tier, and so on — depending on their distance from having a marketable product. But that method has proved unreliable.

Mr. Mehta said he believes it is now more useful to divide the companies by therapeutic categories, like cardiovascular, inflammation or cancer. Large, diverse companies, like Amgen and Chiron, go into a separate category called major biotech. Smaller companies with diverse efforts are listed by the effort most critical to their success.

Within each category, a company can be evaluated against its peers, using the research multiple and price/employee ratio. Investors can also use the therapeutic classes to spread risk.

The research multiple and price/employee ratio quantify research resources and scientific commitment, two essential ingredients for success, Mr. Mehta said.

Mr. Mehta & Isaly have buy recommendations on Chiron, Immunex, Genzyme, Biogen and Genetics Institute, in major biotech; Elan and Cygnus Therapeutics, in drug delivery; Biochem Pharma, Biota Holdings and Immuno, in infections; Cytel, in inflammation; Vertex Pharmaceuticals and Isis Pharmaceuticals, in drug design; Ares-Serono and Alteon, in endocrine/metabolism, and Cambridge Neuroscience, in central nervous system.

## MCCAW: Sale by BT Is Praised

(Continued from first finance page)

Sign up Deutsche Telekom and Nippon Telegraph & Telephone Corp. of Japan as partners for its Syncordia unit with no success, leaving BT to carry a potentially very expensive ball by itself.

In London trading on Thursday, BT's shares rose 6 pence to 382

pence each.

**McCaw Reports a Loss**

McCaw posted Thursday a third-quarter loss of \$77.7 million, compared with net income of \$77 million a year earlier, Bloomberg Business News reported from Kirkland, Washington.

The agreement may mark the first step in allowing the Baby Bells into the long-distance telephone

market. "I firmly believe it would be better for Amstrad to withdraw from the public arena and take the necessary action to re-establish itself out of the spotlight," Mr. Sugar said.

If the offer is taken up by all Amstrad shareholders, it would cost Mr. Sugar about £113 million (\$174 million).

Mr. Sugar said the move would make it easier to restore the company to profitability and said he was the best candidate for the job.

Analysts said shareholders had little choice but to accept Mr. Sugar's bid, even though the price, which values the company at about £170 million, represents only about 65 percent of Amstrad's asset value.

But Amstrad's asset value had been shrinking, business conditions remained difficult and earnings were unlikely to turn positive until 1994.

(Reuters, AFX)

## GATT: U.S. Vows Stiff Tariffs on Some EC Imports

(Continued from page 1)

Clinton when he takes office on Jan. 20.

The threatened U.S. import duties to be slapped on European white wine would effectively triple the price of white wine in the United States. France is the principal European supplier of white wine, with smaller amounts coming from Italy and Germany. Neither red wine nor sparkling wine would be subject to the initial 200 percent tariffs.

Besides white wine imports, which constitute 90 percent of the U.S. sanctions, Washington also plans to slap duties on its EC imports of wheat gluten and rapeseed oil, which mainly come from Germany.

Washington acted only a day after Brussels blocked a U.S. move to win official GATT backing for its sanctions. Arthur Dunkel, GATT's director-general, expressed "grave concern" about the U.S. action, but said he was still hopeful that further negotiations would settle the matter.

## Sugar Bids to Take Amstrad Private

Compiled by Our Staff From Dispatches

LONDON — Alan Sugar,

founder and chairman of Amstrad

PLC, on Thursday moved to take

the British electronics company

private by offering 30 pence a share

for the two-thirds of Amstrad he

does not own.

If the offer is taken up by all Amstrad shareholders, it would cost Mr. Sugar about £113 million (\$174 million).

Mr. Sugar said the move would make it easier to restore the company to profitability and said he was the best candidate for the job.

Analysts said shareholders had little choice but to accept Mr. Sugar's bid, even though the price, which values the company at about £170 million, represents only about 65 percent of Amstrad's asset value.

But Amstrad's asset value had been shrinking, business conditions remained difficult and earnings were unlikely to turn positive until 1994.

(Reuters, AFX)

## CHANGES: A Firmer Approach

(Continued from first finance page)

wants to step up government surveillance of lobbyists for foreign concerns, many of which are Japanese.

It is far from certain whether a tougher approach would make much of a dent in Tokyo's trade surplus with Washington. The surplus seems intractable because the bulk of it is auto-related exports, a field already heavily managed. Tokyo's 1991 trade surplus of \$38.5 billion looks set to grow 20 percent this year as the Japanese recession cuts imports.

Moreover, even if Washington trade negotiators come to Tokyo wielding a bigger stick, the ability of Tokyo to pressure its industries to deliver in the midst of a recession is limited. Japanese industry already resents having had to adopt "voluntary" measures, especially since they believe the U.S. failed to do much to boost its competitiveness while Tokyo held back.

Also, Japan, like most nations, opposes the concept of unilateral sanctions inherent in Super 301

## COMPANY RESULTS

	Revenue and profits Or losses, in millions, or rate of change in local currencies unless otherwise indicated.	Year	Revenue	1992	1991	Rate of change	Rockwell Int'l
Lincoln National	Per Share	1992	1991	1992	1991	% Change	Per Share
3rd Quarter	Revenue	2,599	2,228	1992	1991	15.9%	0.42
1st Quarter	Revenue	2,592	2,440	1992	1991	7.4%	0.44
1st Quarter	Revenue	2,592	2,440	1992	1991	7.4%	0.44
3rd Quarter</							

NYSE

**Thursday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press



(Continued on page 17)

**The  
on**

- The first issue is specifically for the place.
- IFI provides the fully-informed j
- IFI offers the best in debating the key issues.

Topics to be covered:

- Fund perspectives
- Financial markets
- Changes in the economy
- Developments in technology
- Viewpoints from business
- Interviews with experts

# Tata Net Battered By Costs

## Steel Firm's Woes Hit Indian Stocks

Compiled by Our Staff From Dispatches

BOMBAY — Tata Iron & Steel Co., India's biggest private-sector company, said Thursday that first-half profit had tumbled as the government's drive to liberalize the economy — including a devaluation of the rupee — raised costs.

Net profit for April-September period fell to \$202 million rupees (\$17.7 million), from 1.04 billion rupees in the same 1991 period.

Chairman Russi Mody of TISCO, as the company is known, said that "steep cost escalations outside the company's control" caused the slump in profit, despite a 23 percent rise in sales to 15.37 billion rupees from a revised 12 billion a year earlier.

India's steel, construction, cement and auto industries have been hurt by recession in parts of the economy.

TISCO's profit was squeezed by substantial increases in government-controlled services, the company said, with prices for rail freight, power and petroleum products rising sharply, as well as by the impact on prices of imported raw materials of the 22 percent devaluation of the rupee last year. Inflation also triggered higher labor costs, Mr. Mody said.

Mr. Mody gave no projections for likely full-year revenue or profit. In the full year that ended in March, TISCO posted revenue of 28.95 billion rupees and net profit of 1.14 billion.

TISCO's stock price dropped 40 rupees to 263.75 on the Bombay stock market following the announcement. The stock is heavily weighted in the Bombay index, and this, plus general concern that the Tata results were well below expectations, pushed the index 127.01 points lower, to 2,799.17.

"The TISCO results were a big surprise," said Anand Dewan of the S.D. Dewan & Co. brokerage. "It is a bad start for the reporting season."

Mr. Mody said TISCO's cost increases could not be fully recovered because of weak market conditions.

He said steel production rose by 9 percent, to 1 million tons, while steel sales went up by 10 percent to 854,000 tons; but operating costs rose 39 percent, leading to the fall in profit. (Reuters, Bloomberg)

# China's Growing Phone Habit Helps H.K. Telecom

Bloomberg Business News

HONG KONG — Hong Kong Telecommunications Ltd., profiting from the boom in telephone traffic between Hong Kong and China, said Thursday that its after-tax profit had surged 15.7 percent in the most recent half year, to 3.17 billion Hong Kong dollars (\$40.4 million).

The impressive result lifted the Hong Kong stock market to a record closing high. Hong Kong Telecom's share price climbed 25 cents to \$3.95 dollars. This countered 16.5 points of the 22.4-point increase in the Hang Seng index, to 6,347.77.

Hong Kong Telecom, which is 58.4 percent owned by Britain's Cable & Wireless PLC, said its revenue rose 18.5 percent to 10.54 billion dollars in the first half, ended Sept. 30, of its business year.

Calls to China increased by 36 percent in the six months compared with the year-earlier period. Such calls now make up 44 percent of all Hong Kong Telecom's international

calls as measured by minutes, and provide 26 percent of revenue.

Hong Kong Telecom said its revenue from international telephone services rose 24 percent to 6.65 billion dollars and revenue from local telephone services increased 8 percent to 1.42 billion dollars.

"These results were very much on the high end of expectations," said Angus Baxter, managing director for securities trading at Smith New Court Far East.

Hong Kong Telecom's chief executive, Michael Gale, said he expected profit growth in the year ending March 31, 1993, to be in line with the first-half increase.

But a planned reduction in the company's international call charges by 8 percent early next year will hurt its bottom line in the following business year, he added. That reduction was part of a regulatory agreement with the Hong Kong government struck this summer.

Under an agreement with the colonial gov-

ernment, Hong Kong Telecom has the exclusive license to provide the territory's international call network until the year 2006.

Hong Kong Telecom is also facing pressure because it will lose its monopoly on domestic fixed link telephone services in 1995.

Faced with these stresses the company is looking to the China market as the source of much of its future growth.

Mr. Gale said that China plans to rapidly develop its telephone network so that there will be 40 lines per 100 people in major cities like Beijing, Shanghai and Guangzhou by the end of the century. Currently there are around 15-17 per 100 people in some of the big cities and only 1.5 per 100 nationwide.

"The impact upon us here in Hong Kong will be quite significant because our consumers are able to call China and vice-versa," Mr. Gale said. "So a huge potential for growth there."

Hong Kong Telecommunications is eager to invest in telephone services in China but an

imminent liberalization of the market there to allow this does not seem likely, Mr. Gale said.

But he disclosed that Hong Kong Telecom had major plans for investing in China when the time comes. "We have our own ideas of what we would like to do, where we would like to do it and when but they're not for publication," the executive said.

Hong Kong Telecom is 20 percent owned by China International Trust & Investment Corp. Hong Kong, part of one of China's largest state-owned entities. It has increasingly close links with China through technology transfer, training and project finance arrangements.

Hong Kong analysts say the stock is particularly favored by investors in the United States, who see Hong Kong Telecom as a conservative and well managed company with a transparency in its dealings that is lacking in some other major Hong Kong enterprises.

## Investor's Asia

	Hong Kong	Singapore	Tokyo
	Hang Seng	Straits Times	Nikkei 225
1990	1600	2200	
1991	1500	2000	
1992	1400	1700	
1993	1300	1500	
J J A S O N	1200	1250	1250
1992	1200	1250	1250
Exchange	Index	Thursday Close	Prev. Close
Hong Kong	Hang Seng	6,347.77	6,325.37
Singapore	Straits Times	1,416.65	1,421.48
Sydney	All Ordinaries	1,423.30	1,431.10
Tokyo	Nikkei 225	17,031.59	17,065.20
Kuala Lumpur	Composite	660.36	658.68
Bangkok	SET	963.03	956.87
Seoul	Composite Stock	631.31	619.00
Taipei	Weighted Price	3,933.41	3,506.05
Manila	Composite	1,356.66	1,362.57
Jakarta	Stock Index	N/A	304.53
New Zealand	NZSE-40	1,389.85	1,380.75
Bombay	National Index	1,271.08	1,317.50
		-3.53	

Sources: Reuters, AFP

International Herald Tribune

# Mitsubishi Motors Profit Off

Bloomberg Business News

TOKYO — Mitsubishi Motors Corp. said Thursday that a sluggish Japanese economy caused pretax profit to fall 21 percent to 18.35 billion yen (\$14.9 million) in the half-year ended Sept. 30.

Mitsubishi forecast pretax profit in the full year to March 1993 would fall 5 percent to 46.5 billion yen, its first year-on-year drop in five years.

Until now, Mitsubishi — the largest Japanese automaker outside the Big Three of Toyota, Nissan and Honda — has broken the trend of declining earnings in the auto industry, posting a modest 1.6 percent rise in pretax profit last year.

Still, as its competitors fight off losses caused by the worst global auto slump in decades, Mitsubishi remains in the black. In contrast to Mitsubishi's 46 billion yen profit, the second-leading camerman, Nissan Motor Co., last week posted a 14.2 billion yen pretax loss, its first since Nissan was listed in 1951.

"Mitsubishi has been a success in hard times," said Keith Donaldson, an analyst at Salomon Brothers Asia. "Their overall sales in the domestic market haven't fallen as much as their competitors have."

Mitsubishi's domestic sales of passenger cars rose 14.3 percent in the half-year period, an even stronger rise than the 7.8 percent jump in exports, Kazuo Sekino, managing director of Mitsubishi Motors, said at a news conference.

Sales of Mitsubishi's Pajero sport wagon have made Mitsubishi a leader in four-wheel drive vehicles, one of the few bright spots in the auto industry. Pajero sales in Japan surged 47.2 percent on the year in the April-September period, according to Mitsubishi Motors.

Compiled by Our Staff From Dispatches

TOKYO — The hard times hitting Japan's real estate industry are beginning to put pressure on earnings at Mitsubishi Estate, Japan's most prestigious landlord and the owner of New York's Rockefeller Center.

Sluggish sales of apartment buildings, a new property tax and slack demand for office space caused current profit for the half-year ended Sept. 30 to decline 10.69 percent to 32.7 billion yen (\$266 million), from 36.6 billion yen.

Mitsubishi may stand out as one of the few Japanese real estate companies that is still churning out relatively strong profits. But analysts say that depressed conditions in Japan's real estate market, suffering from sharply falling land prices, are likely to erode Mitsubishi's profits even more in the coming months.

That Mitsubishi Estate has been able to maintain a profit while other Japanese property developers are going bankrupt in record numbers stems in large part from its land holdings in Tokyo's business district.

More than 100 years ago, the founder of the Mitsubishi group bought a large tract of swamp land from the government at inflated prices as a way of extending the government financial assistance. Today, that land is Marunouchi, Tokyo's central business district, where Mitsubishi Estate still owns the vast majority of the land and buildings.

High on the list of Mitsubishi's troubles is the company's purchase of a controlling interest in the Rockefeller Group, which owns Radio City Music Hall and the Rockefeller Plaza in midtown Manhattan.

"Mitsubishi paid through the nose for the Rockefeller Group and they're now having terrible vacancy problems with it," said Lisa Oyama, a property market analyst for W.L. Carr's Tokyo office. (Bloomberg, APX)

Sales of trucks, which account for a quarter of the company's revenues, fell 7.4 percent.

Overall sales rose 1.6 percent to 124 trillion yen and operating profit fell 9.4 percent to 23.5 billion yen.

A 1.8 billion yen loss in the value of Mitsubishi's stockholdings, however, helped push the pretax profit down. During the April-September period, the average value of Japanese stocks fell 29 percent.

For the full year ending March 31, Mitsubishi expects sales to rise 1.8 percent to 2.6 trillion yen. The

# \$1 Billion Forestry Deal For Thai Firm in China

Readers

HONG KONG — Soon Hua Seng Group of Thailand signed Tuesday a \$1 billion deal with China to plant forests and build pulp and paper factories to process the wood in the southern province of Guangdong.

In what was described as the largest single Thai investment in China, Soon Hua Seng plans to grow eucalyptus and acacia trees on a total area of 32,400 hectares (79,000 acres) near the eastern coastal city of Shantou. The trees will be harvested to produce wood pulp and paper. The land will be leased to the company for 50 years.

Wood prices rose 13 percent in the past six years, while food prices were relatively stable. Soon Hua Seng's president, Kitit Dummarachawat, said, "In view of the fast economic growth in Asia, demand for paper there is increasing."

Construction of the wood-chip factory, with an annual capacity of 120,000 tons, will start in 1997.

Production at the pulp factory and the paper plant are scheduled to start in 2002, with an annual capacity of 150,000 tons and 120,000 tons respectively.

# Malaysia Attacks Austria on Timber

Agence France-Presse

KUALA LUMPUR — Malaysia has protested to GATT and sought its views on how to fight an Austrian effort to have tropical timber products labeled, government officials said Thursday.

On behalf of the Association of South East Asian Nations, Malaysia submitted the protest to the council of the General Agreement on Tariffs and Trade in Geneva on Wednesday.

"This is just the first part of a series of attacks," a government official said, adding that the group would "fight Austria tooth-and-nail."

Primary Industries Minister Lim Keng Yew last week called for a joint ASEAN effort against Austria's initiative, saying the outcome would affect tropical timber producers in the developing world.

Mr. Lim said GATT should understand that Austria could have an ulterior motive, as it produces 12 million cubic meters (375,78 million cubic feet) of temperate timber products.

"It is an attempt by Austria to unilaterally decide what constitutes sustainably managed forests when there is still no international consensus on the criteria and determination of sustainably managed forests," Malaysia said in its protest to GATT.

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France	F.F.	1,800	2,094
Germany (incl.)	D.M.	665	1,972
— hand delivery	D.M.	810	1,072
Great Britain	P.	190	291
Ireland	P.	65,000	91,000
Italy	Lira	450,000	372,020
Luxembourg	L.F.	13,000	21,040
Netherlands	P.	710	1,163
Norway	N.Kr.	3,300	5,476
Portugal	P.	45,000	76,440
Spain	P.	45,000	69,160
Sweden (incl.)	S.Kr.	55,000	69,160
Switzerland	Sfr.	2,700	4,068
Rest of Europe, N. Africa, former French Africa, Middle East	\$	630	345
Gulf States, Asia Central/Latin America	\$	780	430
Rest of Africa	\$	900	





# SPORTS

# BASEBALL

## Brewers' Shortstop Is Top AL Rookie

*The Associated Press*  
NEW YORK — Pat Listach, who failed to make the Milwaukee Brewers' opening day roster, was voted the American League Rookie of the Year.

Listach, a shortstop, was chosen first on 20 of 28 ballots and received 122 points in voting by the Baseball Writers Association of America. Kenny Lofton of Cleveland, an outfielder, was second with 85 points, followed by Dave Fleming, a pitcher from Seattle, with 23 and Cal Eldred, a Milwaukee pitcher, with 22. Lofton got seven first-place votes and Eldred one.

"It came as a surprise, the difference in the voting," Listach said during a news conference Wednesday at Milwaukee's County Stadium. "I expected it to be a lot closer. I didn't know if I'd come in first or second."

Listach hit .290 with one homer and 47 RBIs. He also stole 54 bases to break the Brewers' previous rookie record of 30, set by Paul Molitor in 1978.

"I didn't set any goals," Listach said. "I didn't even expect to be here this year."

"I was new to most of the other teams in the league. Off the bat, early in the season, they didn't know I would run. I got a few stolen bases. As the season went on, it got harder."

The Brewers' manager, Phil Garner, sent Listach to the minors in his first round of spring training cuts, figuring Bill Spiers would be his shortstop. But Spiers didn't recover from offseason back surgery and the Brewers called up Listach one day after the season started.

"We all felt like he had the qualities to be an exciting player," Garner said. "We just didn't realize he would do it this soon. He was consistent all year. It seemed like just about every night he did something to help us win a ball game."

"It's hard to imagine how far I've come in the last eight months," Listach said.

Listach, 24, was supposed to be a utility player when the Brewers brought him back but his speed eventually earned him a starting role.

A switch-hitter with a .250 average in four minor league seasons, Listach led all rookies in hits with 168 and scored 93 runs.

"He came up here and he was going to sit but he kept himself ready," Garner said. "He's played well in all aspects. He kept impressing me until I decided to give him more playing time."

Milwaukee made Listach its second-round pick in the 1988 amateur draft. He played on the Arizona State team that advanced to the College World Series championship game against Stanford in 1988.

"He improved by leaps and bounds over the season," said Tim Foliak, Milwaukee's infield coach. "We knew he was a great athlete, but he's also a great student."

Lofout hit .285 with five homers, 42 RBIs and 66 steals in 78 attempts for the Indians. Fleming was 17-10 with a 3.39 ERA for the Mariners and Eldred went 11-2 with a 1.79 ERA in 14 starts after Milwaukee brought him up.

### AL Rookies of the Year

1989 — Roy Sievers, St. Louis
1989 — Matt Dryneski, Boston
1989 — Gil McDougald, New York
1989 — Harry Byrd, Philadelphia
1989 — Harvey Kuenn, Detroit
1989 — Herb Score, Cleveland
1989 — Luis Aparicio, Chicago
1989 — Tony Kubek, New York
1989 — Steve Ferrone, Washington
1989 — Bob Allison, Washington
1989 — Ron Hansen, Baltimore
1989 — Don Schwall, Boston
1989 — Tom Tresh, New York
1989 — Jim Kaat, Minnesota
1989 — Tony Oliva, Minnesota
1989 — Curt Blefary, Baltimore
1989 — Temmie Agee, Chicago
1989 — Mike Cuellar, Minnesota
1989 — Stan Lopata, New York
1989 — Lou Piniella, Kansas City
1989 — Thurman Munson, New York
1989 — Charlie Fink, Boston
1989 — Al Bumbry, Baltimore
1989 — Mike Harpster, Texas
1989 — Fred Lynn, Boston
1989 — Alan Trammell, Detroit
1989 — Eddie Murray, Baltimore
1989 — Lou Whitaker, Detroit
1989 — John Cota, Minnesota and Alfredo Griffin, Toronto
1989 — Joe Charboneau, Cleveland
1989 — Dave Ricketts, New York
1989 — Carl Rizzani, Baltimore
1989 — Cal Ripken, Baltimore
1989 — Alvin Dark, Detroit
1989 — Ozzie Guillen, Chicago
1989 — Jose Conesa, Oakland
1989 — Mark McGwire, Oakland
1989 — Mike Westcott, Boston
1989 — Greg Olson, Baltimore
1989 — Sandy Alomar, Jr., Cleveland
1989 — Chuck Knoblauch, Minnesota
1989 — Pat Listach, Milwaukee
One Associated Press Rookie of the Year in 1987 and 1988.



*The Associated Press*  
After heading the ball, a diving Ruggiero Rizzitelli of AS Roma watched as it soared past Grasshoppers' goalkeeper Pascal Zuberbuehler for UEFA Cup a goal in Zurich.

## Journalist in Eye of Philippine Little League Storm

By William Branigin  
*Washington Post Service*

MANILA — There is little doubt around here these days that Al Mendoza is the most vilified man in the Philippines. In newspapers and on radio programs, he has been called a traitor to his country. He has been compared with Filipino collaborators with the Japanese secret police during World War II, and he has even received death threats.

All of this might seem a bit extreme in a country where the police, military officers and politicians have been implicated lately in numerous rackets to kidnapping, Al Mendoza, after all, is only a sports writer.

His troubles started when he began raising questions in his columns about the eligibility of players on the Philippine team that won the Little League World Series on Aug. 29. The team, supposedly representing Zamboanga in the southern Philippines, trounced a Little League team from Long Beach, California, in the championship game 13-4.

The tournament committee of Little League International took up Mendoza's allegations, and eventually stripped the title from the Zamboanga team on Sept. 18, awarding it to Long Beach. That decision set off a furor here that has expanded beyond Little League to prick Filipinos' sensitivities about their image and their often rocky relationship with their former colonial patron, the United States.

### Cubs' Grace Hits 2 Homers As U.S. Routs Japan, 10-2

*The Associated Press*

FUKUOKA, Japan — Mark Grace of the Chicago Cubs hit a pair of two-run homers on Thursday as a team of major leaguers routed the Japan All-Stars, 10-2.

The major leaguers are 4-1-1 in the eight-game series, which concludes Saturday and Sunday at the Toyko Dome.

Grace hit his first homer and Mickey Tettleton also hit a two-run homer as the major leaguers took a 5-1 lead in the fourth inning. They added five runs in the fifth on Ken Griffey Jr.'s RBI double, Cecil Fielder's two-run single and Grace's second homer.

In addition to snuffing out a small triumph for this beleaguered country, the fiasco underscored issues of widespread corruption in Philippine society.

"This national shame will take a long time to heal," wrote Samuel Briones in a letter to a Manila daily. "Cheating, oo doubt, seems to be part of our ethos, our 'national character.' You notice this in elections, in our metric scales, in the observation of office hours."

The Little Leaguers' triumph was an astounding victory, considering that baseball is not widely played in the Philippines. Its popularity here ranks far behind that of another U.S.-exported game: basketball.

On their return to Manila with the first world team sports championship ever won by the Philippines, the players received a ticker-tape parade and the personal congratulations of President Fidel V. Ramos, who gave them more than \$41,000 in government funds for scholarships. But the celebrations quickly soured.

It turned out that only 6 of the 14 team members came from Zamboanga. Philippine Little League officials had substituted eight ineligible players, plus an ineligible manager and coach, from other places across the Philippines to create an all-star national team in violation of Little League tournament rules.

There were also allegations — so far unproven — that some of the players were over the age limit for Little League. The tournament requires players to be under 13 on Aug. 1. One star pitcher was found to be a junior in high school; his parents claimed that he started first grade at age 4.

The Little League International Committee said it based its decision on written confirmation of the substitutions from Armando Andaya, the administrator of Little League baseball in the Philippines.

Andaya did not have the authority to make these replacements, nor was he authorized to do so, said the Little League president, Creighton J. Hale.

Before the tournament began, an "eligibility affidavit" submitted by the Philippine team and signed by Andaya had attested that all the players came from Zamboanga, said Steve Keezer, the first vice president of Little League.

Andaya, who resigned as Little League administrator here after the disqualification, declined to be interviewed or to answer written questions.

More common, though, have been reactions of denial, hyperbole and efforts to shift the blame to American Little League officials or the Philippine journalists who helped expose the affair. The rules violations have been widely

dismissed here as mere technicalities and the forfeit denounced as "racist."

The Americans in Williamsport just could not take it at the hands of the Filipinos, Andaya wrote in announcing his resignation. "Hence they scrounged around for some reason to overturn the victory."

Philippine senators then vowed "to take back the title." The Philippine Bar Association pledged its support, accusing the tournament committee of "violating fundamental due process" and "the very rules of fair play."

Little League Baseball Philippines, the umbrella organization for the country's 10 Little Leagues, demanded the resignation of the tournament committee and threatened to file "criminal, civil and administrative cases" against its members. The committee's "illegal decision," it said, "smacks of a wanton disregard of the basic tenets of law and justice strictly adhered to by all civilized nations."

Caught in the middle of the uproar has been Mendoza, a columnist for the Philippine Daily Inquirer who questioned the players' eligibility. After Zamboanga was disqualified, he appeared at a victory celebration by the Long Beach team and was photographed receiving a key to the city from local Little League officials. He says he was there to cover the event and did not know he would be given an award.

Philippines in Southern California reacted with "intense indignation" and "utter disgust" to the award, said Gil Roy Gome of the Philippine Consulate in Los Angeles. In letters to Manila newspapers this week, he said, Mendoza had stirred "widespread outrage in the Filipino community so profound that people are still in anguish over it."

Certainly, he has come in for heavy invective in the Manila press. "Why did he have to go all the way over there to celebrate with the punks who stole the crown from us?" asked Max Soliven, publisher of the Philippine Star.

Mendoza's appearance "was just about as shocking for us Filipinos as Mother Teresa delivering the welcome address at the Madrid centennial," wrote Teodoro Benigno, a former presidential press secretary. He added, "The journalist stops where the Filipino begins."

Nelson Navarro, a political columnist for the Manila Standard, said the disqualification had triggered "one of the most withering barrages of negative publicity, much of it reeking with malice and racism, ever flung against the Filipino people since the American conquest of 1898. The name of Al Mendoza, he said, "will long live in infamy among his fellow Filipinos."

### Record Payroll Paid Off for The Blue Jays

*The Associated Press*

NEW YORK — The Toronto Blue Jays paid big money to win big.

The World Series champions paid their players a record \$49.1 million, according to documents provided to the press. The Blue Jays' payroll increased 21 percent from 1991, up 7.7 percent from the 1990 payroll of \$31.3 million.

Overall, the 772 players on the 31-roster made \$807.8 million this season, an average of \$1,046,420 per player. The total was up 21.7 percent from the \$663.7 million spent on players in 1991, and up 79.1 percent from the \$450.9 million in 1990.

Toronto paid its players an average of \$1,637,572, according to the documents. The Blue Jays were one of only four clubs that did not pay released players this season.

The Oakland Athletics, who had the top payroll in 1991 at \$39.2 million, were second this year at \$47.5 million.

Toronto's defeat, coupled with those of Leeds and Sheffield, Wednesday, left England without a representative in any of the three club competitions.

Torpedo Moscow nearly pulled off a Moscow hat-trick, beating Real Madrid, 3-2, in the UEFA Cup match and, after whistles in the second half, it ended in silence.

Another Moscow team, Spartak, advanced in the Cup Winners' Cup, Liverpool, four times winner of the Champions' Cup between 1977 and 1984, lost 2-0 at Anfield and 6-2 on aggregate to Spartak Moscow.

Liverpool's manager, Graeme Souness, was impressed by Spartak.

"We were beaten by a very good team," he said. "All credit to them. They made us chase shadows for long spells."

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On Thursday, Dynamo Moscow made it a hat-trick, though playing to a scoreless draw with Torino in Moscow to advance in the UEFA Cup competition on 2-1 aggregate.

None of the Russian teams has won a European club trophy in decades of trying.

## Barcelona And Cruyff Suffer Cup Nightmare

*Compiled by Our Staff From Despatches*

BARCELONA — Johan Cruyff, coach of FC Barcelona, may be in danger of losing his job after the European Champions' Cup holders were humiliated by CSKA Moscow and eliminated from the competition.

"This is a nightmare," said the club's president, Jose Luis Nunez. He said Barcelona's defeat at home on Wednesday would cost the club about \$10 million.

Cruyff, who has been thwarted by Nunez in his attempts to extend his powers in line with a club manager's position in British football, could have lost boardroom backing following the defeat.

"The history of this club shows that we invariably plunge from the heights after success," said Cruyff, a former Dutch star.

"Some of my players were thinking about playing Milan instead of finishing the job against Moscow," he added.

Barcelona had come away with a 1-1 draw after the first leg in Moscow.

But two goals in the first half hour on Wednesday appeared to provide the Spanish team with a cushion. The Russians scored just before the half, however, to make it 2-1.

In the second half, the Russians tied the score and then four minutes from the end struck again to win 3-2.

So Barcelona, with all its enormous wealth and prestige, went down 4-3 on aggregate. (*See Scoreboard*)

The CSKA Moscow coach, Genadi Kostylev, said he could not believe what happened to Barcelona in the second half.

"They just stopped playing," he said. "It was incredible."

It was Barcelona's 50th Europa Cup match and, after whistles in the second half, it ended in silence.

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(*APP, Reuters*)

# SPORTS BASKETBALL

## Players' 'Fear' of Cut Influenced Johnson

Compiled by Our Staff From Dispatches

INGLEWOOD, California — Magic Johnson said in a television interview that his decision Monday to retire from the Los Angeles Lakers was influenced by the reaction of teammates and opposing players to a cut he received during his last game.

Johnson said in an interview taped Tuesday and aired Thursday on an ABC television program that after he received the cut above his right wrist during the exhibition contest on Friday against the Cleveland Cavaliers in Chapel Hill, North Carolina, he "could see the fear upon people's faces."

Johnson, who initially retired from the National Basketball Association a year ago after contracting HIV, the virus that causes AIDS, announced his return to the league on Sept. 29. In recent weeks, however, he has been dogged by controversy over how he acquired the virus and the reaction of other NBA players, at least two of whom have expressed concern about playing with him.

Johnson left Friday night's game upon being cut. An NBA rule requires a player who is cut to leave the game immediately, receive treatment and stay out until the bleeding stops. Johnson went back into the game wearing a bandage over the cut and a wristband covering the bandage.

In the interview, Johnson said the reaction of other players and writers near the Lakers' bench as he was being treated by a trainer, Gary Vitti, "added to it, to my decision of saying it's enough, enough."

When asked if the players were "sitting on the bench looking out the corner of their eyes," Johnson responded, "Exactly."

But on Wednesday, Vitti discounted reports that other players reacted with dismay over the cut.

"That's totally false," Vitti said. "I'll tell you exactly what happened. One player said, 'Earvin, you've got a cut on your arm.' One of the refs looked over at him and asked, and Earvin said he didn't. A little later there was time out and that's when we saw the cut and he was treated. There wasn't anybody freaking out or anything like that."

The Lakers' forward Sam Perkins also said that there had

"flying back home and then talking to my wife once I got home Saturday."

Of his conversation with his wife, Cookie, Johnson said: "I just told her, I said, you know, it's not going to be fun. I'm not going to have fun this year. I didn't have fun last night, because I was thinking about this cut and this bandage, and then the wristband."

Johnson said he had told his wife: "I said that I just don't need it, you don't need it, and meanwhile we'll just go on, have fun and enjoy our lives. And I can do my work, continue to do my work outside of basketball. And she agreed."

Johnson's statement that he "pretty much" made up his mind to retire following the game would seem to conflict with what his agent, Lon Rosen, said on Monday. Rosen had said that the cut Johnson received had "no effect" on his decision to retire.

Johnson also said in the interview that he was "hurt" by comments by Karl Malone, who said he was concerned about playing against Johnson.

"You're hurt inside, not at him, at the fact that I won't get a chance to play because of what he said, you understand, he said. "But I'm not going to take it out on him because I understand he has to look out for himself."

He added: "I'm upset, but I'm not bitter. I'm not a bitter type of guy. I don't hold grudges. I don't sit here and think, 'The doggone Karl Malone!'"

Asked if he were forced out of the NBA, Johnson said: "I wouldn't say I was forced out, but I was helped out."

(WP, AP, LAT)

## Politics Back Home Splinter Foreigners in the NBA

By Tom Friend

*Special to the Herald Tribune*

LOS ANGELES — The foreign contingent in the National Basketball Association is splintering. Boston's Stojko Vrankovic and Atlanta's Alexander Volkov have bolted back to European leagues. Golden State's Sarnas Marcinionis hops around on crutches and the two best players left carrying the European torch — Vlade Divac of the Los Angeles Lakers and Drazen Petrovic of the New Jersey Nets — last communicated by email.

Divac is a Serb, Petrovic is a Croat, and a cold war carries on between them.

"As soon as our country split and the war started, he never call me. I don't want to push someone into being friends with me, so I guess he is no longer friend."

So, with the NBA season set to begin Friday, many American observers see foreign basketball as too

fanatically political.

Yugoslavia likely would have fielded Europe's version of an Olympic "Dream Team" had there been no national schism. The Croatian star Petrovic, a guard with 30-foot (9-meter) range, and Toni Kukoc, a deft passer, would have been greatly aided by the inside skills of the 7-foot-1 Divac. Dino Radja, another top Croat, would have had, in Divac, a rebounding partner against Charles Barkley.

It looked good on paper until the United Nations ruled Serbian athletes out of Olympic team sports.

Divac, left behind at home, napped during Olympic basketball broadcasts. "I could not watch," he said. "I was mad."

The day of the gold-medal game

between the United States and Croatia, however, he pulled his hands from over his eyes and turned on the television. "I rooted for Croatia," he said. "When you watch sports, you are for — how you say — the underdog."

Meanwhile, an amateur Petrovic

still will not offer his hand to Divac.

"I do not feel for him," Petrovic said recently. "It was the right decision not to let Yugoslavia play. It was not me, it was United Nations' politics."

"What if we had Divac on our team?" he added. "We would've made final and lost in final, just like we did without him. No difference."

Divac said: "Yeah, it would've been same result. I agree with that. Nobody can beat the Dream Team. I was happy Croatia got to the final, but then they are not sorry we did not play? They hate us. I don't know why, but they hate us."

"Divac and I were friends for 10 years," he continued, "so I don't see why we break up friendship. He broke it up. When and the Nets came here last year, before the war start, we had lunch together. After the war start, I spoke to him after a game we played last year, but just like we did without him. No difference."

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